

PD-ABN-438
91982

USAID Uruguay-Argentina
Mission Close-Out Plan

MISSION CLOSE-OUT PLAN
USAID/Uruguay-Argentina

The following information serves as a checklist and plan of action for the closing of the USAID Office in Uruguay/Argentina, scheduled for fiscal year 1996. This document has been prepared in conjunction with a close-out workshop carried out in La Paz, Bolivia on May 18, 1994. The workshop was attended by representatives of the USAIDs in Uruguay/Argentina and Chile, including the respective USAID Representatives, and members of the USAID/Bolivia More Developed Country (MDC) support unit, i.e., the Controller, Deputy Controller, Chief Accountant, Regional Contracting Officer, Deputy Regional Contracting Officer, and the Acting Executive Officer. During the workshop, a number of critical close-out activities were discussed, ideas shared, and tentative plans for action and TDY support were agreed upon. USAID/Bolivia then drafted this plan for review and completion by USAID/Uruguay and Argentina.

This plan should not be viewed as a comprehensive, all inclusive "close-out guide", but rather, as a working document. The actual closing procedures will be adjusted as necessary to meet the special activities and circumstances encountered during the process. The basic format of this plan was adapted from the guidance provided in HB 23, Chapter 13, Closing a USAID Mission, while proposed actions and a tentative time frame for critical regional support reflect the discussions held during the close-out workshop. A "lesson learned" document will be prepared for USAID/W by October 1995 after the Office closes.

note

A. PERSONNEL

(1) Closure Notices: Upon receipt of the final USAID/W determination that the USAID Office was to close, the USAID Representative informed all employees of the pending action and reached agreement with each employee on the date of termination of his/her contract.

STATUS/ACTION REQUIRED: The USAID/Representative has formally advised all employees of the impending closure of the Office, scheduled for September of 1995. An organizational time schedule has been prepared for closing the Office, including tentative dates for the release of all employees. In the case that any employees leave earlier than agreed, USAID/Bolivia will try to provide necessary TDY coverage. No further action is needed.

(2) Placement: Agency responsibility or available assistance for placement outside the Agency, i.e., can USAID/Uruguay-Argentina fund placement services; assist with letters to potential employers; provide resume writing assistance?

STATUS/ACTION REQUIRED: The USAID Representative will discuss this with the individual employees, and prepare letters of recommendation to all local agencies and/or companies requested. In addition, the Controller agreed to speak with the USAID/W Personnel Office in order to see if they would be willing to send out letters to a number of the international organizations operating out of Washington, D.C., such as the World Bank, and IDB.

Operating Expenses will be used to provide most employees with individual training. The USAID Representative has offered employees the opportunity to take training courses which can help them find future employment. Offers were made taking into consideration the level and longevity of each employee's time with USAID. It is up to each employee to identify courses and request USAID approval, which will depend on course type, cost and time required. Training courses will be authorized based on their potential for enhancing the employees' ability to find outside employment, rather than applicability to Office operations. USAID Representative has also asked FSNs to explore the possibility to contracting with a local placement/job search training agency at USAID's expense. All employees will be provided standard USAID information on potential conflicts of interests to be avoided in seeking post-USAID employment.

missions to be completed on their support FSA for showing phase of period

(3) Employees' responsibility for continued cooperation and submission of individual information to aid in placement activities; i.e., what do we need from employees to help them?

STATUS/ACTION REQUIRED: Each employee is responsible for requesting specific assistance from USAID in his/her job search. USAID will do everything possible to respond positively to requests. Any employees interested in exploring the possibility of consideration for TCN positions will be asked to prepare resumes, a list of regions and/or countries they would like to consider, and forward the information to the Controller who will send out appropriate cable inquiries (so far, none have indicated interest).

The USAID/Bolivia Personnel Office will prepare a cable to USAID/W requesting clarification and/or special consideration for terminating employees in light of a recent Contract Information Bulletin instructing missions to actively reduce the contracting of TCNs in favor of cooperating country nationals.

① Can we respond to this

(4) Name of the officer(s) responsible for coordinating the personnel aspects of the close out to whom employees may look for guidance, i.e. Embassy or AID; required documentation; who prepares it.

STATUS/ACTION REQUIRED: Employees were instructed to address all concerns to

the USAID Representative, who will work with the Embassy personnel offices to the extent possible. The USAID/Bolivia Personnel Office will provide any USAID-specific assistance required throughout the process, including assistance with the preparation of related documentation.

(5) The Office staff will be constantly aware of office morale. Providing counseling and additional skills development for FSN staff facing an unknown future will have a positive impact. All employees have an obligation to see that these areas are addressed.

(6) Develop a staffing roster which establishes position termination dates based on the close-out of projects or reduction of workload in the Office.

- Experience proves that the close-out roster should be reviewed either every six months, or quarterly if the time frame is shorter, to assure that all employees have viable full time employment.

STATUS/ACTION REQUIRED: The position termination schedule has been completed (attached). The USAID Representative will review the status on a regular basis, and make adjustments as required.

(7) Review the severance benefit package: Does it represent prevailing practice for major work force reductions? Are current local laws fully addressed? Is it fair?

STATUS/ACTION REQUIRED: The Mission has already done initial cost estimates which were incorporated into the Action Plan. A written severance pay policy will be signed by each employee. In the case of Uruguay, it is expected that the benefits being offered will conform with the minimum standard provided under local law and prevailing practice of "marker" companies. In Argentina, local law is clear. The USAID Representative will consult with local lawyers to ensure that the proposed severance packages comply with all local requirements in Argentina and Uruguay. USAID will comply with local requirements regarding termination letters to employees and any required notices to local governments.

(8) Develop activities to assist FSN employees prepare for their termination: Conduct workshops/seminars on (1) the psychological impact of career change; (2) job search and the interview process; and (3) employment specific, i.e. self employment, subjects.

STATUS/ACTION REQUIRED: As discussed in the earlier section of this plan, USAID is looking into the availability of local placement companies. The

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 No
 attach
 report
 (2)

availability of preparing a workshop for the FSN staff will also be discussed if a capable firm/individual can be identified. FSN employees are, in fact, interested in an activity of this kind.

(9) For U.S. Direct Hire, is any regional assistance required for TA's, TDYs, packing out, etc.

STATUS/ACTION REQUIRED: It is anticipated that the USAID Representative will be departing Post three months before the final close-out of the Mission. To do so, a temporary career extension has been requested. By June 30, 1995, all but one project (BDS Argentina) will have reached their PACDs. Activities during the July-September period will focus on administrative close-out. A number of options to provide USDH coverage were discussed, including the possibility of the USAID Representative from Chile taking over responsibility during the gap, which would include spending one to two weeks per month in Uruguay. The possibility of the USAID/Bolivia Deputy Executive Officer spending this amount of time in Uruguay was also discussed. He would be able to manage the property and records disposal work at the same time. Both of these options, as well as periodic TDYs from other USAID/Bolivia staff will be discussed further by February 1995, and a specific decision will be made by LAC/Washington.

- ?
 Issue
 To be
 address
 later.

The USAID/Bolivia RLA has prepared a summary of the types of delegations of authority for the remaining FSN staff which the USAID Representative will consider issuing prior to his departure. Finally, the USAID/Bolivia Controller's Office committed to two or more weeks of TDY assistance, coming early in January 1995. In mid-1995, USAID/Uruguay and Argentina's chief accountant will visit La Paz in order to assist in the financial management aspects of the close-out.

(10) As prerequisite for the USAID Representative's post clearance and FSN employees departures each employee will discharge (or provide sufficient documentation for others to discharge) essential responsibilities, including retirement and disposition of files; accounting for project and OE-funded property; and contract close-out actions.

STATUS/ACTION REQUIRED: The USAID/Bolivia Contracting Office has committed to providing direction and TDY assistance necessary for contract and grant close-out actions (est. Oct 1994 TDY). USAID project officers will take the lead in preparing a list of pending close-outs which will be discussed with the RCO in order to develop a concise plan and time frame. The USAID/Bolivia Executive Office agreed to forward appropriate guidance for retirement and disposition of files, and will send the USAID/Bolivia C&R Supervisor to

Uruguay in January/February 1995 to prepare a disposal plan and during the 4th quarter of FY 1995 to supervise its implementation. USAID/Uruguay-Argentina have begun efforts to clean up files in anticipation of the eventual closing. Finally, the Controller's Office will begin working with the USAID/Uruguay-Argentina financial staff to resolve outstanding advances, reconcile 1221s, decommit and deobligate appropriate balances, reconcile NXP ledgers, establish controls over the loan portfolio, etc. These efforts will begin immediately and continue through Mission closure -- including during the two TDYS mentioned above.

(11) Conduct FSN contract termination procedures in accordance with 3 FAM 900 and the approved local compensation plan;

STATUS/REQUIRED ACTION: USAID/Uruguay-Argentina has been provided with a copy of 3 FAM 900 which it will take into consideration (action: chief accountant). The Embassy local compensation plan has already been reviewed, and the termination provisions have been budgeted for. A local lawyer will be consulted with respect to compliance with local law, and the USAID/Bolivia Personnel Office will review the draft termination documents prior to finalization. This process will take place in accordance with the established FSN phase-out schedule. The USAID Representative will be responsible for putting the FSN contract termination documentation together, consulting the Embassy Personnel Office, as necessary, and will forward the draft packages to USAID/Bolivia for review.

(12) Consider modification of the Office's organizational structure during the close out. An organizational structure that supports the maintenance of ongoing programs may not support Office close-out. Changes in division of functions should be addressed during the close-out. Certain functions normally performed by project officers/managers can be transferred to other staff which have a lighter work load. Mission can expect that, because of rapid and unexpected reductions, both US and FSN staff will be assuming new and expanded roles. Mission management must be cognizant of this and provide training and support to these individuals.

STATUS/ACTION REQUIRED: The USAID Representative is cognizant of these requirements and will consider modifying staff responsibilities as appropriate throughout the final fiscal year of Office operations.

B. FINANCIAL MANAGEMENT

This section outlines general and specific financial management procedures for

closing the Office. However, the actual numbers of close-out activities are likely to change. Responsible employees must use their judgement and experience in implementing the close-out of financial activity, and must adjust to the circumstances presented. This Program Close-Out Plan and Schedule should be a working document in the orderly close down of financial activities at the Office. It is also important to consult the termination provisions of the bilateral agreement, project agreements, contracts, grants, etc., to determine any special procedures that may be necessary.

USAID/Uruguay-Argentina will ensure that constant communications are maintained with the USAID/Bolivia Controller's Office, and will raise issues and questions on substantive problems with the appropriate USAID/Bolivia support staff as they surface.

Audit Management

- (1) Have open audit recommendations been closed?

STATUS/ACTION REQUIRED: There are no outstanding audit recommendations at present.

- (2) Review A-133 audit status, and need to contact OP to schedule final audits. Review need for other audit coverage and IG audit schedule. Is audit coverage considered adequate? Has the IG been requested to conduct additional audits or been advised of close out schedule.

STATUS/ACTION REQUIRED: The USAID Representative will prepare a listing of all U.S. grantees and contractors receiving \$100,000 or more annually, which will be forwarded to the USAID Bolivia Controller's Office before the end of the calendar year. (Believe only one is IESC.) USAID/Bolivia will prepare a transmittal for the USAID/Washington Office of Procurement for the U.S.-based grantees and contractors, officially advising them that the related programs are closing, and requesting that they note this situation for audit purposes and advise the cognizant Federal audit agencies accordingly.

The USAID/Bolivia FARS will review the scopes of work for final recipient contracted audits, as appropriate, and include language to address project close-out aspects of a final audit. The USAID Representative will be responsible for ensuring that required recipient audits are contracted during the final quarter of each grantee's activities financed by USAID. With respect to recipient audits, the USAID Controller has the authority to grant specific PACD extensions for costs related to the final audits in

cases where the related services are rendered after PACD. A copy of the appropriate action memorandum format will be forwarded to the USAID Representative who will take the lead in preparing the PACD extension requests as needed.

No additional IG assistance was deemed necessary in relation to the Office's closing.

Pipeline Reviews

(3) USAID/Uruguay and Argentina to prepare detailed listings of all unliquidated obligations as of December 31, 1994 to assist in the final close-out.

(4) Discuss 1311 process including participation of project officers and communication with vendors and contractors. (USAID/Bolivia Controller's TDY Jan. 1995)

(5) Review portfolios to identify potential deob amounts. (Jan. 1995)

(6) Review uncommitted earmarks and commitment reservations to insure validity. Review list of open reservations to determine that all items are current. Quick review of MACS PO6B.

STATUS/ACTION REQUIRED: Appropriate reviews related to pipeline, 1311, and potential deobligations began in USAID/Bolivia in conjunction with the close-out workshop. In addition, USAID/Bolivia will send Controller's Office representative to USAID/Uruguay in January 1995 to participate in these processes in order to ensure that appropriate documentation is gathered, and to plan resultant follow-up actions.

In addition to the above, the USAID/Bolivia Controller will coordinate with several FM/Washington offices in order to verify exactly what kinds of reports and/or documentation are required in order to officially close out the Mission from a financial management standpoint.

Property

(7) Review the real and personal NXP ledgers for completeness. Are all the receiving and disposal reports being posted on a current basis? Discuss required assistance.

STATUS/ACTION REQUIRED: NXP records were reviewed for completeness in

Issue
Every effort should be made to undertake audits in time to answer the need for PACD extension

note
(same response as for chart)

conjunction with the close-out workshop. The appropriate USAID/Bolivia executive office and accounting staff will work with USAID/Uruguay-Argentina in order to correct any identified errors or omissions in January 1995. All required NXP reports are current.

(8) Has current reconciliation been made with the Mission NXP records? How, who? When was the last physical inventory? Has a survey board been convened to take actions as a result of any physical inventory discrepancies? Assistance required?

(9) Review property disposal plan; will excess OE property be sold by public auction? Possible cable to LAC Missions offering property. What assistance is required. Disposition of trust funded property?

(10) Has the final U-754/1 (Attachment B) been filed?

STATUS/ACTION REQUIRED: The Office has been provided with appropriate HB sections for review. The USAID/Bolivia Executive Office will coordinate attention to the issues raised above with the USAID Representative, and will provide TDY assistance during the second quarter of FY 1995 in order to reconcile inventories and prepare a plan for disposal of all property. (TF, OE, grantee, and program funded with title to USAID) in conjunction with GSOs in each Embassy.

May want to connect message included. See no more cable.

Reporting

(11) Are SF 1221s on disbursement transactions being received, reconciled promptly, and reported on the U-101?

(12) Are procedures in place to ensure receipt and reconciliation of 1221s from all potential USDOS?

(13) Are copies of all recent reports maintained and readily accessible for reference?

STATUS/ACTION REQUIRED: The USAID/Bolivia Controller's Office manages all aspects of the 1221 reconciliation process for USAID/Uruguay-Argentina, and will continue to do so until all reconciling items are cleared, and the records can be officially retired. No action is required of USAID/Uruguay-Argentina with respect to the above.

(14) Is appropriate follow-up action taken on unaccepted AOCs (outgoing and incoming)?

STATUS/ACTION REQUIRED: A number of AOCs were reviewed during the close-out workshop, and it was agreed that this on-going process would take place throughout the fiscal year at the initiative of the USAID/Bolivia Controller's Office. The USAID/Uruguay-Argentina staff will be called upon at times to initiate correspondence or clarify AOC questions at the request of USAID/Bolivia. This activity will also be on the agenda for the planned January 1995 TDY, and for a subsequent financial management TDY by a USDH Controller's Office employee which is tentatively planned for the last quarter of FY 1995. Responsibility for clearing AOCs, even after the Office closes, will rest with the USAID/Bolivia Controller's Office. As such, appropriate files and documentation will be gathered during the final financial management support TDY.

(15) Is a system in place to monitor the receipt of acknowledged copies of all AOCs issued after USDH departure?

STATUS/ACTION REQUIRED: The USAID/Bolivia Controller's Office will send out a world-wide cable during the last quarter of FY 1995, advising all USAIDs and USAID/Washington to forward any AOCs applicable to USAID/Uruguay-Argentina directly to USAID/Bolivia.

(16) Check FM's listing of cumulative G-2 balances. Are steps being taken to reconcile the differences identified?

(17) Review outstanding suspense account amounts. Are outstanding amounts being cleared promptly? Does Mission's net reconciling amount agree with FM/CARD total(s)?

(18) Review Mission PFAR reports and unliquidated balances on the PO6B report with the quarterly DA01 report. Are differences being reported to FM?

STATUS/ACTION REQUIRED: These tasks will be addressed on an on-going basis, at the initiative of the USAID/Bolivia Controller's Office. These items will also be included on the agenda during the scheduled close-out support TDYs.

(19) Are any additional internal reports needed for distribution to Mission staff?

STATUS/ACTION REQUIRED: The subject of additional financial management reports was discussed during the close-out workshop, and the USAID Representative did not believe any specific reports beyond what is currently being provided would be necessary. Nonetheless, weekly reports on the status of operating expenses, open reservations and commitments,

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etc., will be forwarded to the Mission during the last quarter of the close out.

(20) Have final financial reports been prepared and submitted to USAID/W? What reports are required, who will prepare them?

STATUS/ACTION REQUIRED: As stated earlier, the USAID/Bolivia Controller's Office will contact the primary FM offices in USAID/Washington, and request instructions with respect to any close-out specific reporting requirements, and take the lead in ensuring compliance.

Trust Funds

(21) Has the Mission corresponded with the host government about disposition of property funded with trust funds? Who has action?

STATUS/ACTION REQUIRED: During the second quarter of FY1995 the USAID Representative will ensure that all trust funded property has been inventoried, and will subsequently review the corresponding agreement(s), and advise the cognizant government agencies that the property will be turned over when the Office is closed. Arrangements will have to be made with the Embassy in Uruguay in order to facilitate the actual transfer of the property in question.

(22) Have procedures been established to manage trust fund billings and collection? (Trust fund billings are not included in the U-141 Report).

STATUS/ACTION REQUIRED: This issue was discussed at the close-out workshop, but is not applicable as there are no billings or collections pending in relation to the Mission trust fund agreement, nor are any contemplated from now through close out.

Operating Expenses

(23) Has the mission given the required 6 months notice for withdrawal from FAAS service? Format, who does it? Review the FAAS work papers and workload counts.

STATUS/ACTION REQUIRED: The USAID Representative will advise the Embassy in writing that the FAAS will be officially terminated at the end of FY 1995, providing at least six months notice. If the Embassy contests this date and requests consideration for potential costs related to the Mission after FY 1995, the USAID Representative will consult with the USAID/Bolivia Controller

who will assist with negotiations with the Embassy.

Work papers and workload data for FY 1995 will be forwarded to the USAID Controller for review prior to signature by the USAID Representative, when presented by the Embassy.

(24) Are lease agreements being properly terminated and advance payments held to a minimum? (There is one lease agreement for the USAID Rep's residence and one for the office in Buenos Aires).

STATUS/ACTION REQUIRED: The USAID Representative will monitor existing leases to ensure that they are properly terminated, including providing written notice when appropriate. This effort will be coordinated with the Embassy GSO. In addition, final advance payments will be made to cover up to revised termination dates only.

(25) Are LQA and educational allowances provided in advance, and if so, have employees submitted documentation to support the total amounts provided?

STATUS/ACTION REQUIRED: The USAID Representative does not have an LQA or Education Allowance advance. His final SF 1190 will be prepared by 12/31/94. With respect to other OE funded advances, including travel, the USAID/Bolivia Controller's Office will take the lead in ensuring that they are properly accounted for or refunded prior to Mission closure. The USAID Representative will notify the USAID/Bolivia Controller's Office at least 30 days in advance of terminating each FSN employee, and his own departure, in order to confirm that no debts to the USG are outstanding.

(26) Are salary, leave, severance, and other final payments to local employees covered under current-year budgets?

STATUS/ACTION REQUIRED: Funding for these budget items was included in the latest Mission Action Plan submission. Nonetheless, the USAID Representative and the USAID/Bolivia Controller will closely monitor the FY 1995 OE budget situation, and coordinate close-out costs directly with the LAC Bureau Controller.

Advances

(27) Review outstanding advances and consider issuing B/Cs to grantees, etc., for overdue amounts.

STATUS/ACTION REQUIRED: Outstanding advance balances will be considered in-

depth during the January 1995 financial management TDY. Documentation will be consolidated for eventual transfer to USAID/Bolivia, and appropriate follow-up action will be planned, including the possibility of issuing Bills for Collection and potential requests for write-off. The USAID Representative will look closely at the level of advances granted during the final two quarters of grantees' projects in order to keep them to a minimum, limit them to those situations where direct reimbursement is not a possibility, and minimize outstanding uncommitted balances when PACDs reached.

(28) Inform employees/grantees in writing to file vouchers or otherwise clear up all advances over 30 days old.

STATUS/ACTION REQUIRED: With respect to employees, the USAID/Bolivia Controller's Office will coordinate advice and liquidation of any outstanding advances. The USAID Representative will ensure that legally required advance notice is provided prior to any employee separation.

With respect to program funded advances, a concise listing will be prepared in conjunction with the January 1995 TDY, and appropriate letters for follow-up communications will be developed and issued by the USAID Representative. All pending advances will be reviewed not less than monthly thereafter, and appropriate action will be considered on a case-by-case basis.

(29) Have adequate files been established to document the follow-up on overdue advances?

STATUS/ACTION REQUIRED: File documentation will be discussed and requirements established during the January 1995 financial management TDY. In the meantime, the USAID/Uruguay-Argentina staff will begin to review and follow-up on existing advances, documenting all correspondence as appropriate. Individual files will be prepared for all advances which the Mission believes will still be outstanding after closure, in order to provide USAID Bolivia with an accurate record for subsequent follow-up action. Upon PACD, grantees will be advised of outstanding balances to be reimbursed to USAID (copy to USAID/Bolivia.)

(30) Procedures to insure the timely transfer of copies of collection documents from the cashier, whether it be JAO or USAID, to insure proper accounting treatment of repayment of advances. To where?

STATUS/ACTION REQUIRED: The USAID/Bolivia Controller's Office will coordinate this concern with the Embassy cashier during one of its close-out related financial management TDYs.

(31) Has the Mission reviewed or developed check-out procedures that precludes US (DHs and PSCs) employees departing post or FSNs terminating employment, without clearing all outstanding advances with the Controller.

STATUS/ACTION REQUIRED: With respect to FSN employees, the USAID Representative will provide the USAID/Bolivia Controller's Office with at least 30 days notice prior to any separation. USAID/Bolivia will coordinate appropriate advance liquidation efforts. The USAID Representative's departure from post will also be coordinated with USAID/Bolivia, which will ensure that any outstanding advances are resolved.

(32) Employing write-off technique for advances when cost of collection action will exceed anticipated proceeds. The proper method is to expense out the advance, issue the bill for collection (B/C), and then follow the B/C write off guidance. Coordinate with Controller's Office.

STATUS/ACTION REQUIRED: USAID/Bolivia will forward the corresponding regulations and format for Mission write-offs up to \$500, as well as for transferring those in excess of \$500 to USAID/Washington. Potential write-offs should be considered by the USAID Representative as early as possible, and will be included as a topic for the January 1995 financial management TDY.

(33) During the last month of operation, assemble and update documentary files of all advances?

STATUS/ACTION REQUIRED: See number (29) above.

Accounts Receivable

(34) Reconcile USAID/W reports (Quarterly Status of Outstanding Billing Report) with USAID records and take appropriate action on any differences. Who has action?

(35) Are U-141 reports to FM timely and accurate? Who will check?

STATUS/ACTION REQUIRED: The above actions are currently being managed by the USAID/Bolivia Controller's Office, and will continue as such through the closing, and thereafter. No USAID/Uruguay-Argentina action is required in conjunction with these areas of concern.

(36) Are procedures in place to bill for unofficial use of vehicles, telephones, etc.? After employee departure?

STATUS/ACTION REQUIRED: Procedures for settling bills for unofficial use of vehicles, telephones, etc., are in place and functioning.

(37) During the last month of operation, copies of files on accounts receivable from foreign officials and private obligators (Report U-141a) that could become difficult to collect if USAID were to resume activities at a future date should be sent to M/FM/CAR. Who will take action?

STATUS/ACTION REQUIRED: Action on this issue will be coordinated with the Office during the final financial management TDY. The USAID/Bolivia Controller's Office will be responsible for coordinating related communications with FM/CAR, and will require assistance from appropriate USAID/Uruguay-Argentina staff. Few actions of this nature, if any, are contemplated.

Voucher Processing and Prompt Pay

(38) Advise local suppliers to submit their final invoices. Review, prepare letters, etc.

STATUS/ACTION REQUIRED: The USAID Representative and his staff will take action on this issue no later than the final quarter of FY 1995, advising appropriate vendors of the pending Mission closing, as well as the appropriate Embassy and USAID/Bolivia contacts for any payment issues which remain open after September 1995. In addition, he will ensure that any local procurement instruments issued during the last two quarters of FY 1995 take the closing date into consideration and include appropriate language.

(39) Request employees to submit pending travel claims for settlement.

STATUS/ACTION REQUIRED: The USAID Representative will review this item with each employee well in advance of his or her separation. In addition, the USAID/Bolivia Controller's Office will review corresponding records when advised by the USAID Representative of employee separations.

(40) Review voucher processing procedures after USDH departure. Are controls adequate? Is there separation of duties to prevent fraud?

(41) Is the system for obtaining administrative approval of vouchers and receiving reports adequate?

STATUS/ACTION REQUIRED: After considering the delegations of authority proposed by the USAID/Bolivia RLA, the Controller will coordinate voucher

procedures with the USAID Representative and the Embassy Budget and Fiscal Officer in order to address the above. These items will be addressed both from an internal control and from an efficiency standpoint.

(42) During the last month, prepare documentary files of all unpaid invoices, travel claims, contracts, etc. for shipment to the accounting station.

STATUS/ACTION REQUIRED: Responsibility for preparing proper files prior to transferring unpaid accounts to USAID/Bolivia will rest with the USAID Representative until his departure, and there after with the USDH officer assigned to supervise FSN staff during the final quarter of operations. The Controller's Office will provide advice as required.

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Loan Accounting

(43) Establish liaison with appropriate staff in the Embassy to coordinate debt information.

STATUS/ACTION REQUIRED: The USAID Representative will discuss with the appropriate Embassy official(s) at both posts the need for post-closure coordination with USAID in light of Section 620(q) and Brooke-Alexander sanctions. Subsequently, he will provide the USAID Controller with the name of the Embassy contact for future communications if default on USAID loans should occur.

(44) If loan repayments are being made locally, who will coordinate reporting to FM/LM in a timely manner?

STATUS/ACTION REQUIRED: The USAID Representative will ensure that the appropriate government and Embassy officials are aware of the correct USAID/Bolivia and USAID/Washington contacts for all loan related activities. These names will be provided by USAID/Bolivia. The names, addresses, and FAX/Telephone numbers of local government individuals and offices responsible for making payments will be forwarded to the USAID/Bolivia Controller for future reference.

(45) Any reported problems identified by FM/LMD?

STATUS/ACTION REQUIRED: The USAID/Bolivia Controller will contact FM/LMD by December 1994, and request they provide a consolidated list of the existing loan balances, status of payments, rescheduling efforts, etc., and that they begin to send copies of NPDs directly to USAID/Bolivia. At the same time, he will inquire regarding any problems which can or should be resolved prior to

the Mission closing.

(46) Prepare complete, documentary files of all unpaid notices of payment due (NPDs) on loans for transfer to the accounting station.

STATUS/ACTION REQUIRED: The USAID/Bolivia Controller's Office will take the lead on this issue in conjunction with the FM/LMD consultations described in the preceding paragraph.

(47) Notify borrowers of new procedures and responsible offices.

STATUS/ACTION REQUIRED: See number (44) above. If any new procedures are identified as a result of the Controller's consultations with FM/LMD, he will advise the USAID Representative accordingly, in order to pass the corresponding information on to the proper government officials.

Payroll, FICA and Federal Income Taxes (FIT)

(48) Have final reports of FSN employees who are covered by Civil Service Retirement been prepared and submitted to USAID/W (FM) payroll office? Who has action?

STATUS/ACTION REQUIRED: The Mission does not employ any FSN employees who are covered under the CSR system.

(49) Have any final returns required been filed with local tax authorities notifying them of FSN employees who will be terminated? (Local laws).

STATUS/ACTION REQUIRED: The USAID Representative will consult with the Embassy Personnel Office, and possibly with a local lawyer, in order to ensure that all local laws with respect to employee tax liability have been complied with in conjunction with FSN employment termination.

(50) Insure that a system is in place so that 1099's are properly issued.

STATUS/ACTION REQUIRED: This is a USAID/Bolivia Controller's Office action, although on-going coordination with the Office is required in order to ensure compliance with existing IRS regulations. This topic will be addressed during the January 1995 financial management TDY, to familiarize the USAID/Uruguay-Argentina staff with the conditions requiring issuance of 1099s, and to establish a reliable system for ensuring that USAID/Bolivia is advised in all such cases.

(51) Have costs for final FSN salary and benefit payments been determined and scheduled to assure that checks are available on date of termination?

STATUS/ACTION REQUIRED: The USAID Representative will coordinate with the USAID/Bolivia Controller and the USDH, providing sufficient advance notice to ensure that termination checks are available in a timely manner.

(52) Ensure that Form 760-23 (projected leave) has been obtained from USDH employees prior to departure from post.

STATUS/ACTION REQUIRED: As the cognizant USDH Timekeeper Center for USAID/Uruguay-Argentina, USAID/Bolivia will ensure that the Form 760-23 is obtained from the USAID Representative prior to his departure from post.

Local Currency Management

(53) Have the responsible host country agencies charged with accounting and reporting on host country-owned local currency been notified of the new location to send reports? Where?

(54) Have the appropriate accounting records to verify amounts deposited, withdrawals, and balance on hand been compiled and prepared for forwarding to the accounting station?

(55) Review reporting to FM via the U-205 Report. Is the report being prepared inclusive of all types of local currency activities and submitted in a timely manner?

STATUS/ACTION REQUIRED: At present, the Government of Uruguay has a local currency balance of over \$4 million. There are no remaining trust funds. The USAID Representative has reached agreement with the Government on reprogramming of available balances in order to expedite disbursements. By June 30, 1995, it is anticipated that any remaining balances will be for projects run by organizations (e.g. IDB) with a clear record of adequate funds management. The U.S. Representative will report to USAID/W and La Paz on the status of the LC program by March 1995. Appropriate program termination responsibilities will then be assigned.

The Controller's Office will review the status of the U-205 Report, and ensure that it is being properly submitted. This will take place prior to the end of FY 1994.

MACS and Accounting Records

To do
next
year

(56) If the mission is served by a regional accounting center, have arrangements been made for timely receipt of MACS reports?

STATUS/ACTION REQUIRED: The existing MACS reporting has been determined to be adequate, although the frequency with which they are forwarded to the Mission will be increased as needed during the last two quarters of FY 1995.

(57) Have plans been made to transfer mission personnel and financial files and records to the accounting station?

STATUS/ACTION REQUIRED: The Mission will begin to prepare files for transfer to USAID/Bolivia in FY 1995. The USAID/Bolivia C&R Supervisor will provide TDY assistance in order to ensure that this process is properly documented and carried out.

(58) Have books, files, and records been reviewed to determine that there is sufficient detail to permit the receiving USAID Mission to perform the residual or required financial functions?

STATUS/ACTION REQUIRED: In addition to the USAID/Bolivia TDY assistance directly related to the closing and transfer of all official files, the Controller's Office will work closely with the USAID/Uruguay-Argentina staff in order to ensure that adequate documentation is organized and transferred for any residual financial functions such as payments, collections, loan management, reporting, etc. This activity will be carried out during the second FY 1995 TDY.

(59) Has a memorandum to the receiving Mission or office (HB 23, Ch 13, Exhibit A) (Attachment C), plus a complete listing of all books, records, and files being transferred, with a copy to USAID/W, certifying the specific actions required and including the following verification statement been prepared?:

"I attest to the correctness and completeness of the books, files and records being transferred from my responsibility to the USAID/ Controller's responsibility. The financial management close out procedures have been, performed according to USAID Handbook 23, Section 13G, with the exception of the disclaimers and qualifications noted above."

USAID Representative

STATUS/ACTION REQUIRED: The USAID/Bolivia C&R Supervisor will work with the USAID Representative or the delegated FSN employee to ensure that the

proper memorandum, certification, and accompanying documentation are prepared in conjunction with the transfer of the official files to USAID/Washington and USAID/Bolivia as appropriate.

Miscellaneous

Finally, the Controller's Office will begin working with the USAID/Uruguay-Argentina financial staff to resolve outstanding advances, reconcile 1221s, decommit and deobligate appropriate balances, reconcile NXP ledgers, establish controls over the loan portfolio, etc. These efforts will begin immediately and continue through Office closure - including during the two TDYs mentioned above.

(60) Has FM been requested to advise banks who have issued letters of credit that the Mission is scheduled to close on a given date? Who has action? Are all letters of credit against USAID letters of commitment/reconciled and the banks advised of the contact point for all future communications and/or correspondence? Listing of any grantees using letter of credit.

STATUS/ACTION REQUIRED: USAID/Uruguay-Argentina will prepare a listing of all contractors and grantees using letters of credit or commitment, which will be forwarded to the USAID/Bolivia Controller by September 1994. The Controller's Office will verify the listing with the appropriate FM offices in USAID/Washington, and request that appropriate bank notifications go forward together with instructions related to final reconciliations, and communications with USAID/Bolivia after the closing.

(61) Do cash transfer or non-project assistance agreements require a dollar special account? Are systems in place to ensure that the balance of such accounts are being disbursed and used prior to the mission closing? Reporting requirements?

STATUS/ACTION REQUIRED: Accounting and reporting requirements are being met. See No. 55 above.

(62) Has the mission requested FM to discontinue all disbursements under non-project assistance agreements and cease all USAID/W disbursements under direct financing?

STATUS/ACTION REQUIRED: No non-project assistance dollar disbursements are pending. With respect to USAID/Washington direct financing, USAID/Uruguay-Argentina will prepare a list of any such identified agreements which will

be forwarded to the USAID/Bolivia Controller's Office ASAP. The Controller's Office will reconcile this listing with the appropriate USAID/Washington offices, and ensure that disbursements are ceased on the appropriate dates.

(63) Has FM been requested to provide the Mission with a listing of all outstanding AOCs and to keep the mission informed monthly by FAX of all payments made on their behalf?

STATUS/ACTION REQUIRED: The Controller's Office will compile a listing of pending AOCs after the January 1995 TDY, and subsequently forward the list to USAID/Washington. In addition, arrangements will be made for increased communications related to AOCs thereafter, recognizing the special circumstances related to the Office closure.

(64) Have addresses and phone numbers for key contacts been compiled and furnished to FM?

STATUS/ACTION REQUIRED: USAID/Uruguay-Argentina will provide the USAID/Bolivia Controller's Office with a listing of all possible contacts related to the financial management aspects of personnel, grants and contracts, loans, pending payments, advances, and collections, Embassy related follow-up actions, etc. USAID/Bolivia will forward these numbers to USAID/Washington as appropriate.

C. PROCUREMENT AND SUPPLY

USAID/W RESPONSIBILITIES

(1) Review procurement or assistance instruments issued by USAID/W and takes necessary action, with Mission concurrence, to terminate, amend, or allow them to continue to completion.

STATUS/ACTION REQUIRED: The USAID Representative will contact the LAC Bureau and request that it notify appropriate USAID/Washington backstop and bureau offices in order to ensure that this topic is fully addressed. The USAID/Bolivia Contracting and Controller's Offices will provide advice and assistance as appropriate upon request.

USAID Mission Responsibilities

(2) Amend or terminate Mission procurement or assistance instruments in order

to ensure adequate but not excessive services until the close-out date. Instructions to coordinating offices regarding closures.

(3) Review open purchase orders to determine need for cancellation, revised delivery schedule, or other appropriate actions.

STATUS/ACTION REQUIRED: In order to address the above requirements, USAID/Uruguay-Argentina has prepared a listing of all active contracts and grants and forwarded a copy to the USAID/Bolivia Contracting and Controller's Offices for review. This listing will be reviewed by the USAID Representative periodically during FY 1995, and he will take the lead in securing appropriate USAID Contracting Office assistance as required. TDY assistance from the Contracts Office related to these activities will be provided in October 1994. When the Office closes in September 1995, the RCO will be provided with a list of any pending contract/grantee closure actions.

(4) Curtail all new procurement other than for minimum needs through the final close out date.

STATUS/ACTION REQUIRED: The USAID Representative is cognizant of this issue, and will ensure that all future procurement is assessed for need and timing, in conjunction with the Mission closing.

(5) Check and update procurement files for:

- (1) open actions;
- (2) claims;
- (3) warranties and titles;
- (4) inventory records;
- (5) receiving and inspection reports; and
- (6) disposition instructions of commodities, spare parts.

STATUS/ACTION REQUIRED: The USAID Representative will take action to update procurement files in accordance with the above, and work with the USAID/Bolivia Regional Contracting Office TDYer to complete actions identified in the process.

(6) Determine disposition of procurement and supply files. When and where

do they go?

STATUS/ACTION REQUIRED: The USAID/Bolivia Executive Office will advise USAID/Uruguay-Argentina with respect to the proper disposition of procurement and supply files, in consultation with the Controller and the Regional Contracting Officer as appropriate. This action will take place in the fourth quarter of FY 1995 during the second USAID/Bolivia C&R Supervisor TDY.

(7) Complete all contract close out requirements including technical office and Controller coordination prior to close-out certification by responsible contracting officer.

STATUS/REQUIRED ACTION: The USAID/Bolivia Regional Contracting Officer will take primary responsibility for contract close-out actions to take place in a normal fashion, from now through the closure of the Mission.

D. PERSONAL PROPERTY

(1) Inventory all personal property titled in USAID; issued/stored; program/administrative; appropriated/trustfunded; expendable/nonexpendable; property on loan; and contractor procured property.

(2) List quantity, description, and condition code (HB 23, Ch 4, 6 FAM 220, Exhibit 226.3c) of expendable and nonexpendable property separately by object class on Form 5- 73, Personal Property Disposal Record, using separate forms for OE, program and trust funded property.

(3) List passenger and non-passenger vehicles on a separate Form 5-73.

STATUS/ACTION REQUIRED: The USAID/Bolivia Executive Officer will provide technical assistance related to the inventory and preparation of documentation prior to disposition through a TDY proposed for January 1995. Any final reconciliation with USAID/B, State or USAID/W inventories will be made at that time.

(4) Dispose of OE property in accordance with the order of priority described in detail in HB 23, Ch 4, App 4A, 6 FAM 227.3 (if the condition of personal property is classified at or below 2, 5, 6, 8 and X, such property is to be disposed through sales and not redistributed to other missions):

(1) Redistribution to other USAID missions: Request that M/OMS

circularize to other missions in the area a list of property in condition good enough to warrant the cost of packing and shipping.

Should not give grant until done

(2) Transfer to Other U.S. Government Agencies: Transfer property to other U.S. Government agencies overseas, with reimbursement set at fair market value (U.S. or local currency).

(3) Commercial Sale: Conduct sale by sealed bid or auction (retail or negotiated sale only when Property Disposal Officer can justify as being in best interests of the Government), depositing proceeds to the 72-F-3845 account.

(4) Transfer to Cooperating Government: Transfer to the cooperating government in the form of a project contribution or Grant-in-Aid using the format found at H 23, C. 4,

(5) Donation: Donate to institutions and organizations eligible to receive donations as specified in HB 23, Ch 4, App 4A (2 FAM 227.3-5).

(6) Destruction or Abandonment: Utilize this method when all else fails.

STATUS/ACTION REQUIRED: With USAID/Bolivia EXO assistance the USAID Representative will consider which of the above listed disposition options are most appropriate for the remaining property during the 2nd. quarter of FY 1995. At that point, the USAID/Bolivia Executive Office will collaborate in the actual disposition, considering the options of a final TDY or delegation to the Embassy or remaining FSN staff.

The USAID/Bolivia RLA will consider the question of whether or not USAID/Uruguay-Argentina can grant OE procured NXP to quasi-governmental counterpart agencies. The USAID Representative will officially designate the USAID/Bolivia Executive Office TDYer as Disposal Officer for USAID/Uruguay-Argentina so that all USAID property disposal decisions will be formalized by a USAID employee. The appointment should be effective only during the TDY visits. If other Embassy agencies want any of the USAID property, they must pay market value. The USAID Representative will ensure that the appropriate Embassy officials are aware of this requirement.

Do not fund

(5) Dispose of trust-funded property in accordance with the terms and conditions of the trust fund agreement or other documents of understanding; generally, all personal property procured with trust funds will either revert to the cooperating government, or be sold with proceeds turned over to the

cooperating government.

STATUS/ACTION REQUIRED: As previously discussed, the USAID Representative will review the trust fund agreement(s), and contact the appropriate government offices by January 1995 in order to coordinate the turning over of NXP procured with trust funds. The physical transfer of the property in question may take place after the USAID Representative's departure from post, in which case appropriate FSN or Embassy staff will be identified to coordinate this activity with the Host Government.

(6) Dispose of all property in the custody of contractors which is titled in USAID in accordance with the procedures set forth for OE property above.

(7) Dispose of project-title property in accordance with the terms and conditions of the project agreement.

STATUS/ACTION REQUIRED: The USAID Representative will prepare a listing of any program funded property prior to the USAID/Bolivia Executive Office TDY scheduled for January 1995. The proper disposition of this material will be planned at that time.

E. REAL PROPERTY CLOSE-OUT

Leased Property

(1) Terminate, transfer, or assign all leases, as determined by scheduled departures of employees.

STATUS/ACTION REQUIRED: The USAID Representative will review the two existing leases (the office in Argentina and his residence), and provide appropriate notification to the corresponding landlords. This effort will be coordinated with the Embassy GSO staff. In the case of the residence, the Embassy may decide to retain the lease.

(2) Restore leased premises to original condition (cost?) if the lessor so requests in accordance with the following considerations:

(1) The terms of the lease;

(2) The following decision of the Comptroller General (18 Comp. Gen. 8):

"Where lease of building provided for restoration of premises to condition existing at time of entering upon same, reasonable and ordinary wear and tear, etc., excepted, and damage during occupancy was only such as might be presumed to result from reasonable use for purposes for which leased, there is no government liability for the damages claimed."

(3) When the landlord agrees to accept the premises in an altered condition for an agreed upon sum in lieu of restoration, provided that the cost of making restoration would exceed the salvage value of the material removed;

(4) The U.S. Government is not responsible for restoring leased property whenever the premises or any essential part thereof shall be destroyed by fire, earthquake, war, civil disturbance or other casualty.

STATUS/ACTION REQUIRED: The USAID Representative will initiate negotiations with the landlord of the office building in Argentina. The space has been renovated and significantly improved at USAID cost and should not present a problem in that the landlord will likely not require that it be returned to its original state. However, the lease terms will be reviewed, and the landlord will be requested to prepare the appropriate release forms upon termination. If renovations are required, they will be negotiated and agreed before the lease termination date is codified. With respect to the residential lease, the USAID Representative will request the Embassy GSO advise him with respect to any potential close-out costs, and subsequently terminate the lease on USAID's behalf.

(3) Seek a refund of the unearned portion if advance payments have been made or use it as consideration when negotiating restoration of the premises.

STATUS/ACTION REQUIRED: The USAID Representative is cognizant of this issue, and will try to ensure no refunds are due.

F. RECORDS MANAGEMENT

The USAID/Bolivia Executive Office agreed to forward appropriate guidance for retirement and disposition of files, and will send the USAID/Bolivia C&R Supervisor to Uruguay in Jan/Feb. 1995 to prepare a disposal plan and during the 4th quarter of FY 1995 to supervise its implementation. USAID/Uruguay-Argentina have begun efforts to clean up files in anticipation of the eventual closing.

(1) Maintain updated vital records plan for the disposition of records and send copy to the Agency's Management Officer (M/AS/ISS/RM).

(2) For current files:

(1) Mark Official Files with yellow-banded labels showing retention period;

(2) Mark Working Files with green-banded labels and locate them in separate file drawers, if possible.

To prepare for disposal of inactive official files:

(1) Pack in record shipping boxes (size: 15"x12"x10");

(2) Separate Subject files from Case files;

(3) Pack "Permanent folders" separately from those authorized for eventual destruction;

(4) Pack classified files separately from unclassified files;

(5) Pack items with like retention periods together;

(6) Pack records in their original folders in the same order as they were in file drawers, all folders facing the same direction;

(7) Combine boxes into groups with the same disposition date;

(8) List each box by folder title on SF 135A, Records Transmittal and Receipt, available from M/AS/ISS/RM;

(9) Mark boxes to show the disposal authority and actual destruction date of their contents, e.g., 27080, Excess Property Files, Destroy 9/30/98.

(3) Decide disposition of inactive files forwarded by files custodians and maintain the contents of this storage area as follows:

(1) Organize boxes according to office of origin; e.g. Education Division, Program Office, etc.;

- (2) Edit shelf lists, check if retention periods are correct and clearly identified;
- (3) Identify records that should be given priority in removal from post; and
- (4) Maintain a supply of records shipping boxes and SF 135A's for additional packing and Listing of records during an emergency.
- (4) Consult with appropriate personnel to determine if selected records held by the mission will be needed by other missions, the U.S. Embassy, or other organizations assuming USAID residual functions.
- (5) Advise the Agency Records Management Officer (M/AS/ISS/RM) of records to be transferred to other U.S. Government agencies and obtain clearances for the transfer of these records (no official files may be transferred other than to a U.S. Government institution).
- (6) Consult the U.S. Embassy Pouch Supervisor to determine the most effective and economical way to ship records, considering their security classification, volume and prevailing conditions at post. Notify the U.S. Embassy Pouch Supervisor of probable dates and volume of records to be transported to USAID/W or other post through the courier service.
- (7) Arrange for the use of post destruction equipment to destroy records eligible for destruction.
- (8) Segregate and deliver to custody of a designated USAID officer those records determined necessary for performing residual functions.
- (9) Identify official and working files eligible for destruction according to the Records Disposal Schedule in HB 21, Part II, Appendix 6B.
- (10) Ship records to be retired to USAID/W following instructions contained in HB 21, Part II, Chapter 6, Section 6C.5.b and Appendix 6b.
- (11) Check the total volume transferred, destroyed, and shipped, against the volume indicated on the latest Files Maintenance and disposition Plan, form AID 520-2 (box 4), to determine if any records have been overlooked, making every effort to locate the missing records and dispose of them properly.
- (12) Submit to the Agency Records Management Officer (M/AS/ISS/RM) a final memorandum report of all actions taken, attaching the following:

- (1) Description and volume of records selected for residual operations and of records transferred to other agencies;
- (2) A copy of shelf lists (SF 135A) listing all records transferred to USAID/W;
- (3) Final accounting of volume of records prepared.

STATUS/ACTION REQUIRED: The above detailed checklist will be used as a guide for the disposition of the USAID/Uruguay-Argentina official records. During the close-out workshop, it was agreed that the Mission does not have the technical capacity to carry out this activity without assistance. The USAID/Bolivia C&R Supervisor will provide TDY assistance for this purpose in January 1995 and during the actual disposal period (4th quarter 1995). (If for any reason the TDY assistance cannot be provided or proves inadequate, consideration will be given to contracting for the services required. The USAID/Bolivia Executive Office would assist the Mission in identifying appropriate candidates.) To begin this process, USAID/Uruguay-Argentina will inform the EXO as to the content and amount of files in the warehouse, and at each Office location.

G. PROGRAM MANAGEMENT

(1) Decide early what image of U.S. assistance should be left behind. Years of development assistance and millions of dollars has accomplished what? How can the USG capitalize on this? This can facilitate a positive departure from the host country.

STATUS/ACTION REQUIRED: The USAID Representative will look into the possibility of developing booklets which describes the recent history of USAID's ADC programs in Uruguay and Argentina from the opening to the closeout of the Offices. The publications would summarize contributions made to each countries development and would be provided to appropriate government and counterpart agencies together with a note of gratitude for the years of cooperation.

(2) A mission closure provides a rare opportunity to evaluate and document what worked and what didn't; where cross sectoral approaches might have enhanced impact and sustainability. Mission close-outs continue to be a learning experience in development.

STATUS/ACTION REQUIRED: Final program-level evaluations will be carried out

for democracy and growth activities in both countries. Special attention will be paid to specifying results and impacts and drawing lessons from the program strategies applied by USAID in these two countries.

- (3) Consider the possibility of deob-reob.

STATUS/ACTION REQUIRED: In conjunction with the January 1995 pipeline review, the USAID Representative will review obligated balances from now through closure of the Office. The possibility of deob-reob will be considered, and, if deemed practical, action will be initiated early in FY 1995.

- (4) Activities once project close-out begins (USAID/W recommendations).

1. Donor Coordination is essential in close-out to ensure continuation and/or completion of selected USAID-funded activities.
2. Careful attention should be paid to host country actions and project revisions which enhance likelihood of sustainability.
3. Rethink the rationale for evaluations. Will the mission be able to field high quality teams to evaluate a close out program?
4. Counterparts may not readily accept the fact that projects will in the end close out.
5. An effort needs to be made to bring project managers together to share close-out experiences.
6. Once individual project close-out checklists are developed by project officers and approved by the USAID Representative, review the Office close-out plan to determine if the timing on each project activity is realistic.

STATUS/ACTION REQUIRED: The points above are general reminders of a number of steps in the close-out process which will be considered by USAID/Uruguay-Argentina and the USAID/Bolivia support units from now through ultimate closure of the Office. A schedule of PACDs in each country is attached.

The USAID/Uruguay-Argentina close-out plan presented in this document will serve as a checklist throughout the process, and will be reviewed on a periodic basis by the Mission and the USAID/Bolivia support staffs, in order to ensure that all critical activities take place as planned, and in order to allow for necessary adjustments. Close coordination between USAID/Uruguay-Argentina and

USAID/Bolivia will greatly enhance the probability of a successful close-out.

To: Richard Goughnour@CONT.EXE@LAPAZ
Cc:
From:
Name: Michael A. Rogal@M.MPI@AIDW
Subject: re: Uruguay Close-out
Date: Friday, September 22, 1995 14:20:38 EDT
Attach:
Certify: N
Forwarded by:

Dick: You're right. We ~~get~~ paid to make decision and get the job done.
Sign the PO with FY 95 OE to wrap-up the close-out.

Just send me an E-mail when its over in Uruguay and Argentina.

Glad to hear it is going well.

Michael

BEST AVAILABLE COPY

To: Michael A. Rogal@M.MPI@AIDW
Cc:
From: Richard Goughnour@CONT.EXE@LAPAZ
Subject: Uruguay Close-out
Date: Friday, September 22, 1995 10:33:59 EDT
Attach:
Certify: N
Forwarded by:

Mike - we are bringing things to a close in Uruguay/Argentina on schedule. I think it has been a resounding success all-in-all.

We do have one question. It's simply impossible to work through COB 9/30 and still wrap up every loose end. We have to move furniture to an Embassy warehouse, wrap-up a few transfer items, etc. I know 9/30 is the cut-off, but would anybody get too bent out of shape if we signed a PO with FY 95 OE funds for one of the soon-to-be former employees to carry out a few wrap up items through 10/15. If the answer is an absolute no -- we'll have to impose on the good will of our Embassy colleagues to finish the last few items up without compensation.

This isn't a big deal worth running through the upper ranks (we are talking about a few hundred dollars). If in your opinion it's a non-starter, let me know and we will go the Embassy route.

Regards - Dick g.

To: Michael A. Rogal@M.MPI@AIDW
Cc:
From: Babette Prevot@LAC.SAM@AIDW
Subject: re: Argentina/Uruguay Close-out
Date: Friday, September 8, 1995 14:36:14 EDT
Attach:
Certify: N
Forwarded by:

Everything is on schedule. Argentina has already closed and Uruguay is closing by the end of Sept. The EXO from LaPaz will be going to Uruguay for the final closeout.

To: Lou Stamberg@bhr.pvc@AIDW
Cc:
From:
Subject: Erhardt Rupprecht@LAC.DR@AIDW
Date: Tuesday, June 6, 1995 13:05:03 EDT
Attach:
Certify: N
Forwarded by: Erhardt Rupprecht@LAC.DR@AIDW

Forwarded to: Michael A. Rogal@M.MPI@AIDW
cc:
Forwarded date: Wednesday, June 7, 1995 11:57:41 EDT
Comments by: Erhardt Rupprecht@LAC.DR@AIDW
Comments:

This is the wording change in the cable that you cleared before on Uruguay Argentina Close-out and performance cable. Lou Stamberg cleared it for PPC. Do you clear on the wording change?? Thanks.

----- [Original Message] -----

I added the following sentence to the cable that we were sending to Uruguay and Argentina on various close-out actions:

While the AA/M initially disapproved continuation of the program, BHR (with Bureau concurrence) requested a reconsideration of the decision. On June 6, 1995 the AA/M approved the continuation of the Farmer -to Farmer program in Uruguay and Argentina.

Is that ok.

Carol:

Although the original PACD for the project is August 30, 1998, there is no mention of this LAC Bureau Regional Project (598-0813) in the program close-out plans of Argentina, Uruguay and Chile .

This project appears in the CP a LAC regional project with no specific country attribution. The CN that was sent did not show any country attribution. There were no objections or questions raised by either the Senate or House.

The LAC Bureau in discussions with the NGO Partners of the Americas has made it clear that none of the 20 target NGOs can be in the Close-out Countries. They must all be from sustainable development countries. If the amendment is signed in time, there will be a consortium meeting in September to identify the 20 NGOs based on criteria contained in the proposal. At this meeting LAC will again point out that the target NGOs cannot be from close-out countries.

This activity will be managed by the LAC Bureau's RSD-DHR Office which currently manages the project. This can be managed within current resources available to the Bureau.

The direct benefits to the 5 lead NGOs; three of whom are in close-out countries: Poder Ciudadano and Conciencia, a subcontractor under the current project, (Argentina); Participa (Chile); INIAP (Guatemala); Universidad de los Andes (Columbia) is approximately \$28,000 to cover the organizations indirect costs of administering the \$130,000 each will receive annually to cover training materials, workshops, publications, communications including E-mail, program coordination and other training costs for programs with the 20 target NGOs.

The project purpose is to provide **concentrated skills building** to a small group of civic organizations in each participating sustainable development country.

Conciencia Argentina is working closely with partners in the implementation of this project. Due to its success, new "Conciencia affiliates" have opened in other Latin America countries and have formed the Organization Civica Panamericana (OCP).

Mike R

/tel2/./95/06/08/01432m

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ORIGIN AID-00

ACTION OFFICE(S): !LASP
INFO OFFICE(S): AALA AAM BHR DAIG FFP GC IG IGPS LADP LASA
MPI OPCC OPE OPOD OPPS OPTR PPCE PVC WID

INFO LOG-00 ARA-01 TEDE-00 /001R

DRAFTED BY: AID/LAC/SPM:RLOUDIS:RL:CLOSEARG
APPROVED BY: AID/AA/LAC:MSCHNEIDER
AID/DAA/LAC:RDAUBON (DRAFT) AID/LAC/SPM:CSCHOUX (DRAFT)
AID/LAC/DPB:DCHIRIBOGA (DRAFT) AID/GC:SALLEN (DRAFT)
AID/LAC/SAM:BPREVOT (DRAFT) AID/M/MPI:MROGAL (DRAFT)
AID/PPC/PC:GHILL (DRAFT) AID/BHR/PVC:ALISKOV (DRAFT)
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FM SECSTATE WASHDC
TO AMEMBASSY BUENOS AIRES
AMEMBASSY MONTEVIDEO
AMEMBASSY LA PAZ

UNCLAS STATE 139406

AIDAC

E.O. 12356: N/A

TAGS:

SUBJECT: UPDATED CLOSE-OUT AND PERFORMANCE REPORT,
~~ARGENTINA AND URUGUAY~~

1. THE UPDATED CLOSE-OUT AND PERFORMANCE REPORTS SUBMITTED
BY THE SIX LAC CLOSE-OUT COUNTRIES (IN LIEU OF FY 96-97
ACTION PLANS) WERE REVIEWED ON MARCH 9, 1995 IN A MEETING
CHAIRIED BY THE DIRECTOR LAC/SPM. THE REVIEW WAS ATTENDED
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BY REPRESENTATIVES FROM LAC, PPC, G, M, AND BHR. THE
MISSION IS COMMENDED FOR SUBMITTING AN EXCELLENT REPORT.

2. THE FOLLOWING GENERAL CLOSE-OUT ISSUES WERE DISCUSSED:

A. CDIE ACQUISITIONS COORDINATOR, MARGARET POPE, HAS
ADVISED ALL CLOSE-OUT MISSIONS THAT CDIE WISHES TO ENSURE
THAT THE MISSION'S UNIQUE COLLECTION OF USAID-PRODUCED AND

SPONSORED DOCUMENTS AND REPORTS BE FORWARDED TO CDIE IN WASHINGTON. MEMORANDA HAVE BEEN SENT TO EACH CLOSE-OUT MISSION TO THIS EFFECT. ALTHOUGH WE ACKNOWLEDGE THAT THIS WILL ENTAIL ADDITIONAL WORK FOR CLOSE-OUT MISSIONS, IT IS IMPORTANT THAT THIS DOCUMENTATION IS PROPERLY ARCHIVED. ANNE LANGHAUG, PPC/CDIE/DI IS AVAILABLE, IF NEEDED, TO PROVIDE FURTHER GUIDANCE TO MISSION.

B. G/WID RECOMMENDS THAT WHEN FINAL IMPACT EVALUATIONS AND FINAL PROJECT EVALUATIONS ARE DONE BY CLOSE-OUT MISSIONS, THAT THESE EVALUATIONS ASSESS THE IMPACTS OF USAID ACTIVITIES BY GENDER. GATHERING AND ANALYZING GENDER-DISAGGREGATED DATA WOULD CONTRIBUTE TO A BETTER UNDERSTANDING OF PEOPLE-LEVEL RESULTS, AND COULD ALSO DEMONSTRATE SUCCESS STORIES/LESSONS LEARNED WHICH USAID COULD SHARE WITH OUR DEVELOPMENT PARTNERS AND CONGRESS.

3. DURING THE REVIEW, THE FOLLOWING ARGENTINA- AND URUGUAY-SPECIFIC ISSUES WERE DISCUSSED:

A. URUGUAY: ACTIVE MONITORING OF HOST COUNTRY OWNED LOCAL CURRENCY (HCOLC) AFTER THE USAID/REPRESENTATIVE'S DEPARTURE. THE USAID REPRESENTATIVE REQUESTED AID/W
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APPROVAL TO TERMINATE ITS ACTIVE MONITORING OF THE HCOLC GENERATED UNDER EARLIER ESF AGREEMENTS AS OF JUNE 30, 1995. LAC BELIEVES THIS ACTION IS APPROPRIATE GIVEN THAT: THE LOCAL CURRENCY GENERATIONS ARE QUITE OLD, THE GOU HAS AN EXCELLENT TRACK RECORD IN UTILIZING THE LOCAL CURRENCY, THE LOCAL CURRENCY BALANCE IS PROJECTED TO BE ZERO BY JUNE 1995, AND THE USAID OFFICE IN URUGUAY IS CLOSING IN SEPTEMBER 1995. GC/LAC HAS DETERMINED THE PROPOSED ACTION IS LEGAL AND CONSISTENT WITH USAID'S POLICIES ON MANAGEMENT OF LOCAL CURRENCY (I.E., PD-18, 91 STATE 202944, AND THE PREVIOUS CABLE "SUPPLEMENTARY GUIDANCE ON PROGRAMMING AND MANAGING HCOLCII, AS WELL AS AID'S CASH TRANSFER POLICY) AND THAT LAC AND THE USAID REPRESENTATIVE HAVE THE AUTHORITY UNDER DOAS 751 AND 752 TO TAKE THIS STEP. THE USAID REPRESENTATIVE SHOULD SEND A PIL TO THE GOU ADVISING THEM TO FORWARD PROGRAM AND FINANCIAL REPORTS AFTER JUNE 30, 1995 TO USAID/BOLIVIA, UNTIL THE REMAINING LOCAL CURRENCY IS EXPENDED, TOGETHER WITH FINAL REPORTS REQUIRED BY THE AGREEMENT OR BY PREVIOUS PILS.

B. URUGUAY AND ARGENTINA: CONTINUATION OF THE URUGUAYAN AND ARGENTINEAN PORTIONS OF THE FARMER-TO-FARMER PROGRAM BEYOND MISSION CLOSE-OUT. BASED ON THE MISSION'S RECOMMENDATION AND ITS RATIONALE FOR CONTINUING THIS BHR-MANAGED PROGRAM AFTER MISSION CLOSE-OUT, BOTH THE BHR AND LAC BUREAUS RECOMMENDED TO THE AGENCY'S CLOSE-OUT

COORDINATOR, AA/M, LARRY BYRNE, THAT THIS PROJECT ACTIVITY CONTINUE. WHILE THE AA/M INITIALLY DISAPPROVED CONTINUATION OF THE PROGRAM, BHR (WITH LAC BUREAU CONCURRENCE) REQUESTED A RECONSIDERATION OF THE DECISION. ON JUNE 61 1995, AA/M APPROVED THE CONTINUATION OF THE

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PROGRAM IN URUGUAY AND ARGENTINA.

C. ARGENTINA: EVALUATION AND POSSIBLE EXTENSION BEYOND CLOSE-OUT OF THE INTERNATIONAL EXECUTIVE SERVICE CORPS,

BUSINESS DEVELOPMENT SERVICES PROGRAM (BDS). THE USAID REPRESENTATIVE INDICATED THAT A RECOMMENDATION FOR POSSIBLE CONTINUATION WOULD BE BASED ON THE OUTCOME OF THE PLANNED EVALUATION. LAC ENCOURAGES THE MISSION TO PROCEED QUICKLY WITH THE EVALUATION AND ENSURE THAT ANY CASE FOR CONTINUATION IS CONSISTENT WITH PPC GUIDANCE, "MISSION CLOSE-OUT - CONTINUING ACTIVITIES" (94 STATE 188492) DATED MAY 131 1994. ALTHOUGH THE PROGRAM IS OPERATING IN OTHER NON-PRESENCE COUNTRIES, CONTINUING BEYOND MISSION CLOSE-OUT WOULD REQUIRE APPROVAL BY G, LAC, M, AND PPC, AND ADDITIONAL G-BUREAU FUNDING.

D. DESIGNATION OF ACTING USAID REPS FOR THE PERIOD JULY 1 THROUGH SEPTEMBER 30, 1995: IT IS UNDERSTOOD, THROUGH CONSULTATIONS WITH GC, THAT SUFFICIENT DELEGATIONS OF AUTHORITY ALREADY EXIST (DOA 752) FOR THE USAID/BOLIVIA EXECUTIVE OFFICER (JOHN PEEVEY) AND DEPUTY CONTROLLER (MARIO ROCHA) TO SERVE AS ACTING USAID REPS, AND THAT NO ADDITIONAL DELEGATIONS WILL BE NECESSARY. (DOA 752 PART IV.C. PERMITS AN ACTING AIDREP TO EXERCISE PROJECT IMPLEMENTATION AUTHORITY, BUT NOT TO AUTHORIZE, AMEND OR EXTEND PROJECTS, AS LONG AS THE AA APPROVES).

4. THE BUREAU WISHES TO THANK THE MISSION FOR THE TIME AND EFFORT PUT INTO THE CLOSE-OUT AND PERFORMANCE REPORT, ALONG WITH USAID/BOLIVIA FOR PROVIDING SUPPORT. ARGENTINA

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PAGE 05 STATE 139406 082254Z
AND URUGUAY WILL BE THE FIRST OF SEVERAL LAC MISSIONS TO CLOSE, AND THE MISSION IS TO BE COMMENDED FOR THE TIMELY AND EFFECTIVE IMPLEMENTATION OF ITS COMPREHENSIVE OPERATIONAL CLOSE-OUT PLAN.
TARNOFF

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39

Mike R

To: MPI@bans00034.usaid.gov
Cc:
P:
Subject: The Cable Room <cablerm@uxns0003.usaid.gov>
PARTICIPATION IN FUTURE USAID PROGRAMS
Date: Wednesday, April 5, 1995 11:29:44 EDT
Attach:
Certify: N
Forwarded by:

/tel2/. /95/04/05/00864m
UNCLASSIFIED

PAGE 01 STATE 082856 051506Z
ORIGIN AID-01

ACTION OFFICE(S):
INFO OFFICE(S): AALA LRSD LASP LADP ES AAID AAM DAAM REEN
MPI PPDC IRMO PPOD PVC BHR OL FAB FMAD GDG
AAG LDHR TDA ED HEAL FABP

INFO LOG-00 ARA-01 TEDE-00 /002R

DRAFTED BY: AID/LAG/SAW:BPREVOT:BP:MDCREG2
APPROVED BY: AID/AA/LAC:MSCHNEIDER

902
AID/DAA/LAC:RDAUBON AID/LAC/SAM:FWTATE
AID/LAC/RSD:WNILSESTUEN AID/LAC/DPB:EZALLMAN
-----B85CA8 051524Z /38

R 051450Z APR 95
FM SECSTATE WASHDC
TO AMEMBASSY MONTEVIDEO
AMEMBASSY SANTIAGO
INFO AMEMBASSY BUENOS AIRES
AMEMBASSY LA PAZ

UNCLAS STATE 082856

AIDAC FOR AMBASSADOR DODD, MONTEVIDEO *

E.O. 12356: N/A
TAGS:
SUBJECT: PARTICIPATION IN FUTURE USAID PROGRAMS
REP: MONTEVIDEO 00337

1. MOST CLOSEOUT COUNTRIES HAVE EXPRESSED INTEREST IN
KNOWING THE LATEST ON USAID INTENTIONS WITH RESPECT TO
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PAGE 02 STATE 082856 051506Z
CONTINUING ACTIVITIES AFTER CLOSEOUT. THE PURPOSE OF THIS
CABLE IS TO BRING YOU UP TO DATE ON AID/W'S CURRENT

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THINKING ON THIS ISSUE.

2. THE BASIC POLICY, SET FORTH IN ATWOOD'S 6/15/94 DECISION MEMORANDUM, REMAINS UNCHANGED. IT IS AGENCY POLICY NOT TO UNDERTAKE NEW ACTIVITIES IN CLOSEOUT COUNTRIES. AS AN EXCEPTION, PVO PROGRAMS MAY CONTINUE IN A SMALL NUMBER OF CASES, WHERE THEY MEET THE CRITERIA - RELEVANCE, IMPACT, CAPACITY, COST-EFFECTIVENESS AND FOREIGN POLICY CONSIDERATIONS - SET FORTH IN THE DECISION MEMO. SIMPLY MEETING THE CRITERIA IS NOT A SUFFICIENT RATIONALE FOR UNDERTAKING SUCH PROGRAMS. THE BROADER CONTEXT INCLUDES SUCH FACTORS AS U.S. NATIONAL INTEREST AND PROMISES MADE TO THE CONGRESS ABOUT THE INTENT AND THE SIGNIFICANCE OF CLOSEOUTS.

3. THE LAC BUREAU INCLUDED IN LAST YEAR'S BUREAU BUDGET SUBMISSION, SUMMARIES OF SEVERAL REGIONAL ACTIVITIES THAT - SUBJECT TO AGENCY GUIDELINES REGARDING THE CIRCUMSTANCES UNDER WHICH ACTIVITIES CAN BE FUNDED IN OR FOR CLOSEOUT COUNTRIES - AND SUBJECT TO RESOLUTION OF DESIGN ISSUES, MAY INVOLVE CLOSEOUT COUNTRIES AS WELL AS SUSTAINABLE DEVELOPMENT COUNTRIES. THE NUMBER OF PLANNED REGIONAL PROJECTS HAS SINCE BEEN REDUCED AS A RESULT OF DECLINES ON RESOURCES EXPECTED TO BE AVAILABLE TO USAID. THE REGIONAL PROJECTS WHICH THE BUREAU IS CURRENTLY PLANNING AS FY 1995 AND FY 1996 NEW STARTS ARE LISTED BELOW. SEPTTEL FOLLOWS WITH EXPANDED PROJECT DESCRIPTIONS, REQUESTING FIELD COMMENTS.

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PAGE 03 STATE 082856 051506Z
- HEMISPHERIC FREE TRADE, FY 95
- REGIONAL SUPPORT FOR STRENGTHENING DEMOCRACY, FY 95
- PARTNERSHIP FOR EDUCATION IN THE AMERICAS, FY 96

IN ADDITION, CLOSEOUT COUNTRIES MAY BE ASSOCIATED WITH THE BUREAU'S FY 1996 SUMMIT OF THE AMERICAS' FOLLOWUP INITIATIVE IN HEALTH, "EQUITABLE ACCESS TO BASIC HEALTH SERVICES", EXPECTED TO BE IMPLEMENTED BY PAHO AND THE INTER-AMERICAN NETWORK ON HEALTH ECONOMICS AND FINANCING. ACTIVITIES FUNDED UNDER THE NEW ENVIRONMENTAL INITIATIVE FOR THE AMERICAS MAY ONLY BE FUNDED WHERE THE PROPOSAL IS REGIONAL, NOT BILATERAL, IN CHARACTER AND CONFORMS TO THE OTHER PRECEPTS SET FORTH HEREIN.

4. THERE WILL BE A FURTHER AGENCY REVIEW WHEN THESE ACTIVITIES ARE FULLY DEVELOPED. WE WILL KEEP YOU APPRISED OF THE STATUS OF THESE PROGRAMS.
CHRISTOPHER

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To: Babette Prevot@LAC.SAM@AIDW
Cc: Michael A. Rogal@M.MPI@AIDW
John A. Fasullo@FHA.PVC@AIDW
Bcc:
From: Robert Asselin@USAID@MONTEVIDEO
Subject: Farmer-to-Farmer
Date: Tuesday, April 25, 1995 16:10:19 EDT
Attach:
Certify: N
Forwarded by:

I guess the decision has to be accepted, but I think USAID\w owes the two Ambassadors and Partners the courtesy of formal replies; i.e. a cable to the two Embassies and a letter to Partners. It would be useful if both cited the reasons for Byrnes' conclusion.

////////////////////////////////////
To: Robert Asselin@USAID@MONTEVIDEO
John A. Fasullo@bhr.pvc@AIDW
Michael A. Rogal@M.MPI@AIDW
Cc:
Bcc:
From: Babette Prevot@LAC.SAM@AIDW
Subject: re: Farmer-to-Farmer
Date: Wednesday, April 26, 1995 9:22:51 EDT
Attach:
Certify: N
Forwarded by:

I agree. Since it is PVC's program, I guess they will prepare the cable in conjunction with M.

////////////////////////////////////
To: Robert Asselin@USAID@MONTEVIDEO
John A. Fasullo@bhr.pvc@AIDW
Michael A. Rogal@M.MPI@AIDW
Cc:
Bcc:
From: Babette Prevot@LAC.SAM@AIDW
Subject: re: Farmer-to-Farmer
Date: Wednesday, April 26, 1995 9:22:51 EDT
Attach:
Certify: N
Forwarded by: Babette Prevot@LAC.SAM@AIDW

Forwarded to: Robert Asselin@USAID@MONTEVIDEO
Michael A. Rogal@M.MPI@AIDW
John A. Fasullo@bhr.pvc@AIDW, James Nindel@LAC.DR@AIDW
Richard Loudis@LAC.DR@AIDW

cc:
Forwarded date: Wednesday, April 26, 1995 10:03:13 EDT
Comments by: Babette Prevot@LAC.SAM@AIDW
Comments:

Actually, a separate cable is not necessary as the close-out cable will address this. I am told that the cable will go out by the end of the week

----- [Original Message] -----
I agree. Since it is PVC's program, I guess they will prepare the cable in conjunction with M.

////////////////////////////////////
To: Babette Prevot@LAC.SAM@AIDW
Cc: Larry W. Harms@bhr.pvc@AIDW
Charles R. Rheingans@bhr.pvc@AIDW
Bcc:
From: John A. Fasullo@bhr.pvc@AIDW
Subject: re: Farmer-to-Farmer
Date: Wednesday, April 26, 1995 9:53:59 EDT
Attach:
Certify: N
Forwarded by: Babette Prevot@LAC.SAM@AIDW

Forwarded to: James Nindel@LAC.DR@AIDW, Michael A. Rogal@M.MPI@AIDW
Richard Loudis@LAC.DR@AIDW
cc:
Forwarded date: Wednesday, April 26, 1995 10:14:57 EDT
Comments by: Babette Prevot@LAC.SAM@AIDW

----- [Original Message] -----
I agree that the two Ambassadors, Partners and Peace Corps should be notified of Management's decision not to continue the FTF Program in LAC close-out countries, specifically Argentina and Uruguay. We have already notified Partners and the Peace Corps of this decision. I understand the LAC will be sending a cable out on this matter shortly. John

////////////////////////////////////
To: John A. Fasullo@bhr.pvc@AIDW
Cc:
Bcc:

From: Babette Prevot@LAC.SAM@AIDW
Subject: re: Farmer-to-Farmer
Date: Wednesday, April 26, 1995 10:13:10 EDT
Attach:
Certify: N
Forwarded by: Babette Prevot@LAC.SAM@AIDW

Forwarded to: James Nindel@LAC.DR@AIDW, Michael A.
Rogal@M.MPI@AIDW
Richard Loudis@LAC.DR@AIDW
cc:
Forwarded date: Wednesday, April 26, 1995 10:15:51 EDT
Comments by: Babette Prevot@LAC.SAM@AIDW
Comments:

hopefully, this is the last on this subject.
Babette

----- [Original Message] -----

LAC is sending a reporting cable on the whole closeout review. One paragraph will say that the program will not continue after closeout. If there is something more that should be said, PVC can send it out with LAC's clearance.

////////////////////////////////////
To: Babette Prevot@LAC.SAM@AIDW
Christina Schoux@LAC.DR@AIDW
Cc:
Bcc:
From: Michael A. Rogal@M.MPI@AIDW
Subject: Farmer-to-Farmer
Date: Tuesday, April 25, 1995 11:08:15 EDT
Attach: U:\MPIPUB\DOCS\FARMERS.LEB
Certify: N
Forwarded by:

Babette/Christina:

The attachment is a memo dated April 6, 1995, from Larry Byrne to Doug Stafford which includes the phrase: " I do not believe the Farmer-to-Farmer program should be continued in these (i.e., Argentina and Uruguay) or in any close-out country."

According to John Fasullo, BHR has accepted this decision and will notify both the Partners of the Americas and the Peace Corps of this decision.

You should notify the mission of this decision.

I apologize for not sending you a copy of the memo earlier.

Michael-

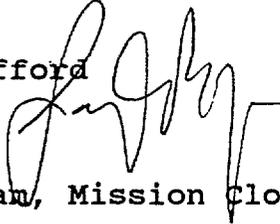
////////////////////////////////////

Mike Rogal



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

APR 6 1995

TO: AA/BHR, M. Douglas Stafford
FROM: AA/M, Larry E. Byrne 
SUBJECT: FARMER-TO-FARMER Program, Mission Close-outs

In the recent Argentina/Uruguay Close-out report, the Mission Director recommended that the Farmer-to-Farmer program be continued in Argentina and Uruguay after the mission closes. The Ambassadors would also like the countries to be part of the program after close-out.

As I understand it, there are nine organizations, U.S. PVOs, Farm Cooperatives and NGOS, implementing the program worldwide and an NGO, Partners of the Americas, manages and arranges for the assistance in Latin America, with the exception of the Uruguay Farmer-to-Farmer program managed by the Peace Corps. The worldwide project, which provides short-term TDY assistance to farmers and agribusinesses in lower and mid-level countries and emerging democracies, is managed by the PVC Office in BHR.

Although both BHR and LAC support continuation of the program in Argentina and Uruguay, neither considers it a priority program. While all agree it is worthwhile, does not require mission management or DA funds (it is a PL 480 funded activity that is presented in the Agency's CP in Table 4A, in the section entitled: Central P.L. 480, as a single line item without any country breakdown), I do not believe the Farmer-to-Farmer program should be continued in these or in any close-out country. Given the paucity of resources available to the Agency to carry out our programs, including P.L. 480, I believe we need to focus our limited resources in those countries where more of a priority exists.

If you wish, I would be pleased to discuss this further.

Clearance:

M/MPI:CDMcGraw CSA Date 4/4/95

M/MPI PUB/DOCS/FARMERS.LEB:MROGAL:4/4/95:x72902

To: Michael A. Rogal@M.MPI@AIDW
Cc: John A. Fasullo, Adele Liskov
m: Lou Stamberg@bhr.pvc@AIDW
Subject: re: Farmer-to-Farmer
Date: Monday, March 27, 1995 10:48:12 EST
Attach:
Certify: N
Forwarded by:

Mike: We instructed all the Farmer to Farmer implementing organizations not to program f to f assignments in no-presence countries after the close-out date. The only case in which exceptions have been sought so far are Argentina/Uruguay. Our position for all close out countries is as I outlined to you: we have no objection to programming these Farm Bill-funded short-term assignments providing Agency policy re consideration of exceptions is followed, i.e., they must be supported by the Regional Bureau, and be concurred in by M and PPC. We will not take the lead in proposing them.

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OUTGOING TELEGRAM

U S AGENCY FOR INT'L DEV TELECOMMUNICATIONS CENTER

PAGE 01 STATE 262571 281412Z 9453 064991 A1D4556

STATE 262571 281412Z

9453 064991 A1D4556

ORIGIN AID-00

OUTSTANDING AOCs IN COORDINATION WITH FM IN USAID/W.

ORIGIN OFF CE MPL-03
INFO LISA-02 FAMS-02 IG-01 FAOH-03 OUTI-01 FMCA-01 IGPP-02
IGRY-02 AMAD-01 /018 A0 28/1555Z

INFO LOG-00 TEDE-00 /001R

DRAFTED BY: AID/M/MP1:BBURNETT:TB
APPROVED BY: AID/M/MP1:BBURNETT
AID/LAC/SAM:BPREVOT (DRAFT) AID/LAC/SPM:KANDERSON (DRAF
AID/M/MP1:MR0GAL AID/LAC/SPM:RLOUDIS (DRAFT)
AID/M/AS/OMS:MEWLEY (DRAFT) AID/M/AS/OMS:NHOFFMAN (DRAF
AID/M/B:BEREENE (DRAFT) AID/LAC/SPM:DROBBINS (DRAFT

R 281413Z SEP 94
FM SECSTATE WASHDC
TO AMEMBASSY MONTEVIDEO
INFO AMEMBASSY LA PAZ
AMEMBASSY TEGUCIGALPA

UNCLAS STATE 262571

ADM AID TEGUCIGALPA FOR RIG (A)

E.O. 12355: N/A

TAGS:
SUBJECT: URUGUAY-ARGENTINA OPERATIONAL

CLOSE-OUT PLAN

1. SUMMARY: A MEETING WAS CONVENED SEPTEMBER 21, 1994, TO REVIEW THE SUBJECT OPERATIONAL CLOSE-OUT PLAN. THE

MEETING WAS CHAIRED BY M/MP1 AND INCLUDED REPRESENTATIVES FROM M/AS OMS, LAC/SPM, M/B, AND LAC/SAM. THE PLAN IS HEREBY APPROVED SUBJECT TO THE GUIDANCE OUTLINED BELOW.

2. MANAGEMENT OVERSIGHT: THE REVIEW COMMITTEE IS SUPPORTIVE OF MEASURES THAT WOULD PERMIT THE CURRENT USAID REPRESENTATIVE TO CONTINUE MANAGING THE CLOSE-OUT ACTIVITIES OF BOTH COUNTRIES AS FAR INTO FY 1995 AS POSSIBLE. ASSUMING THE DEPARTURE OF THE USAID REPRESENTATIVE IN THE SUMMER OF 1995, WE WOULD RECOMMEND THAT A USDA FROM THE USAID/BOLIVIA EXECUTIVE OFFICE ASSUME RESPONSIBILITY FOR MANAGING THE CLOSE-OUT ACTIVITIES DURING THE FINAL MONTHS OF FY 1995 SINCE MOST OF THESE ACTIVITIES WOULD INVOLVE PROPERTY, RECORDS, PERSONNEL AND OTHER ADMINISTRATIVE MATTERS RATHER THAN PROGRAM MATTERS.

3. AUDIT MANAGEMENT: WITH RESPECT TO THE POSSIBILITY OF EXTENDING PROJECT ASSISTANCE COMPLETION DATES (PACDS) IN ORDER TO FINISH RECIPIENT AUDITS, THERE WILL BE NO EXTENSIONS OF PACDS BEYOND THE CLOSE-OUT DATE FOR ANY REASON. THE MISSION IS TO SCHEDULE SUCH AUDITS SO THAT THEY CAN BE COMPLETED BEFORE THE CURRENT PACDS. RECIPIENT AUDIT ACTIVITY MUST REPEAT MUST BE COMPLETED WITHIN THAT TIME FRAME.

4. FINANCIAL MANAGEMENT CLOSE-OUT REPORTING: THE CLOSE-OUT PLAN INDICATED SOME UNCERTAINTY REGARDING FINANCIAL MANAGEMENT CLOSE-OUT REPORTING REQUIREMENTS. USAID/W DOES NOT REQUIRE ANY SPECIAL FINANCIAL REPORTING. THE USAID/BOLIVIA CONTROLLER IS RESPONSIBLE FOR ALL

FINANCIAL MATTERS AND REPORTING TO USAID/W. THE 1311 REVIEW TO ESTABLISH RESIDUAL FUNDS AND OTHER ROUTINE FINANCIAL REPORTS WOULD BE EXPECTED TO CONTINUE THROUGH MISSION CLOSE-OUT. THIS ALSO INCLUDES CLEARING ALL

5. DISPOSAL OF NON-EXPENDABLE PROPERTY (NXP): THE PLAN NOTES THAT THE USAID/BOLIVIA EXECUTIVE OFFICE WILL ASSIST USAID/URUGUAY-ARGENTINA IN PREPARING A PLAN FOR DISPOSAL OF PROPERTY. IN DEVELOPING THIS PLAN, PLEASE TAKE INTO ACCOUNT THE GUIDANCE ON THIS SUBJECT SET FORTH IN THE RECENT CABLE SUMMARIZING EXPERIENCE TO DATE IN CLOSING-OUT MISSIONS (STATE 231606, DATED AUGUST 27, 1994). PARAGRAPH FIVE OF THAT CABLE STATES, "AS MISSIONS ARE AWARE, THERE ARE STANDARD PROCEDURES FOR DISPOSING OF NXP, INCLUDING ADP AND SECURITY EQUIPMENT. MISSIONS SHOULD ENSURE THAT IRM AND IG/SEC ARE ADVISED AND CONCUR IN MISSION'S PLANS FOR DISPOSING OF ADP AND SECURITY EQUIPMENT, RESPECTIVELY. ONLY NXP WHICH IS NEW IN CARTONS SHOULD BE ADVERTISED FOR DISTRIBUTION TO OTHER MISSIONS. IF A MISSION HAS NXP FALLING INTO THIS CATEGORY, A DETAILED LISTING (ITEM DESCRIPTION, SIZE, COLOR, ETC.) SHOULD BE SENT TO M/AS/OMS/OPM FOR PREPARATION OF DISTRIBUTION CABLES. IN ADDITION, MISSIONS NEED TO PROVIDE M/AS/OMS WITH A LIST CONTAINING DETAILED DESCRIPTION, CONDITION, AND QUANTITY OF REPRESENTATIONAL ITEMS (FLATWARE, HOLLOWWARE, GLASSWARE AND CHINAWARE). OTHERWISE, ALL OTHER NXP SHOULD BE DISPOSED OF IN ACCORDANCE WITH HB 23, CHAPTER 4, SECTION 227.3."

6. LOAN REPAYMENT SCHEDULES: THE MISSION INQUIRED ABOUT

THE POSSIBILITY OF SECURING A CONSOLIDATED LIST OF LOAN REPAYMENTS DUE USAID SO THAT THIS INFORMATION COULD BE SHARED WITH APPROPRIATE EMBASSY PERSONNEL IN EACH COUNTRY WHO WILL BE WORKING WITH THE USAID/BOLIVIA CONTROLLER TO MONITOR TIMELY LOAN REPAYMENTS. THE MISSION SHOULD CABLE

A REQUEST FOR THIS INFORMATION TO M/FM/LM, ATTENTION JOAN

KING. MS. KING SUGGESTED THAT THIS INFORMATION BE SECURED WELL IN ADVANCE OF CLOSE-OUT TO ALLOW TIME TO RESOLVE ANY PROBLEMS BEFORE MISSION STAFF DEPART POST.

7. SEVERANCE PLAN FOR FSN STAFF: THE MISSION'S CLOSE-OUT PLAN (P.5) INDICATES THAT THE MISSION WILL CONSULT WITH A LOCAL LAWYER PRIOR TO ACTUAL EMPLOYEE SEPARATIONS TO ENSURE THAT THE PROPOSED SEVERANCE PACKAGES COMPLY WITH LOCAL LAW. THE MISSION IS ENCOURAGED TO PURSUE THIS ACTION AT ITS EARLIEST CONVENIENCE TO ALLOW SUFFICIENT TIME TO RESOLVE ANY UNFORESEEN ISSUES WELL IN ADVANCE OF THE PLANNED TERMINATION DATES. ALSO, USAID/W APPROVAL SHOULD BE OBTAINED FOR ANY SEVERANCE PAYMENTS THAT WOULD EXCEED THOSE AUTHORIZED IN THE POST COMPENSATION PLAN. WE WOULD LIKE TO BRING TO MISSION'S ATTENTION A RECENT IG DRAFT REPORT ON SEVERANCE PAYMENTS WHICH CRITICIZED USAID FOR INADEQUATELY JUSTIFYING SEVERANCE PAYMENTS IN A CLOSE-OUT MISSION TO FSNs ELIGIBLE FOR AN IMMEDIATE CSR ANNUITY.

8. RECORD OF ACCOMPLISHMENTS: THE REVIEW COMMITTEE APPLAUDS THE MISSION'S PROPOSAL TO DEVELOP APPROPRIATE DOCUMENTATION SUMMARIZING USAID'S CONTRIBUTIONS TO THE

DEVELOPMENT OF ARGENTINA AND URUGUAY. LEAVING BEHIND A CHRONICLE OF USAID ACCOMPLISHMENTS WOULD CONTRIBUTE TO AN ORDERLY CLOSE-OUT OF THE USAID PROGRAM IN BOTH COUNTRIES.

CHRISTOPHER

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To: Babette Prevot@LAC.SAM@AIDW
Richard Loudis@LAC.DR@AIDW
Karen Anderson@LAC.DPP@AIDW, Maryann
Epley@FA.OMS@AIDW
Greene@m.b@AIDW
Nancy Hoffman@FA.OMS@AIDW, Bradford
Douglas Robbins@LAC.DPP@AIDW
Cc: Michael A. Rogal@M.MPI@AIDW
Bcc:
From: BARRY BURNETT@M.MPI@AIDW
Subject: Uruguay-Argentina Close-Out Plan--Draft Cable
Date: Thursday, September 22, 1994 8:56:16 EDT
Attach:
Certify: Y
Forwarded by:

Following our discussion of the mission's operational close-out plan, I drafted a response (below) and would appreciate your comments by Friday, Sept. 23.

ROUTINE CABLE TO MONTEVIDEO, INFO TO LA PAZ AND TEGUCIGALPA (RIG)

SUBJECT: Uruguay-Argentina Operational Close-out Plan

1. Summary: A meeting was convened September 21, 1994 to review the subject operational close-out plan. The meeting was chaired by M/MPI and included representatives from M/AS/OMS, LAC/SPM, M/B, and LAC/SAM. The plan is hereby approved subject to the guidance outlined below.
2. Management Oversight: The review committee is supportive of measures that would permit the current USAID Representative to continue managing the close-out activities of both countries as far into FY 1995 as possible. Assuming the departure of the USAID Representative in the summer of 1995, we would recommend that a USDH from the USAID/Bolivia Executive Office assume responsibility for managing the close-out activities during the final months of FY 1995 since most of these activities would involve property, records, personnel and other administrative matters rather than program matters.
3. Audit Management: With respect to the possibility of extending Project Assistance Completion Dates (PACDs) in order to finish recipient audits, we would request the Mission to schedule such audits so that they can be completed before the current PACDs. In any event, every effort should be made to avoid the extension of PACDs beyond the close-out date of September 30, 1995.
4. Financial Management Close-out Reporting: The close-out plan indicated some uncertainty regarding financial management

close-out reporting requirements. USAID/W does not require any special financial reporting. We would propose that the mission consult with the USAID/Bolivia Controller to ensure that all financial matters are properly handled. The preparation of 1311 reports on a quarterly basis to establish residual funds and other routine financial reports would be expected to continue through mission close-out. This also includes clearing all outstanding AOCs in coordination with FM in USAID/W.

5. Disposal of Non-Expendable Property (NXP): The plan notes that the USAID/Bolivia Executive Office will assist USAID/Uruguay-Argentina in preparing a plan for disposal of property. In developing this plan, please take into account the guidance on this subject set forth in the recent cable summarizing experience to date in closing-out missions (STATE 231606, dated August 27, 1994). Paragraph five of that cable states, "As missions are aware, there are standard procedures for disposing of NXP, including ADP and security equipment. Missions should ensure that IRM and IG/SEC are advised and concur in mission's plans for disposing of ADP and security equipment, respectively. Only NXP which is new in cartons should be advertised for distribution to other missions. If a mission has NXP falling into this category, a detailed listing (item description, size, color, etc.) should be sent to AS/OMS/OPM for preparation of distribution cables. Otherwise, all other NXP should be disposed of in accordance with HB 23, Chapter 4, Section 227.3."

6. Loan Repayment Schedules: The Mission inquired about the possibility of securing a consolidated list of loan repayments due USAID so that this information could be shared with appropriate Embassy personnel in each country who will be working with the USAID/Bolivia Controller to monitor timely loan repayments. We are pursuing this question with M/FM and will respond by septel.

7. Severance Plan for FSN Staff: The Mission's close-out plan (p.5) indicates that the Mission will consult with a local lawyer prior to actual employee separations to ensure that the proposed severance packages comply with local law. The Mission is encouraged to pursue this action at its earliest convenience to allow sufficient time to resolve any unforeseen issues well in advance of the planned termination dates. Also, please advise details of planned separation payments that would exceed those authorized in the post compensation plan. In this connection, we would like to bring to Mission's attention a recent IG investigation which criticized USAID for inadequately justifying severance payments in a close-out mission to FSNs eligible for an immediate CSR annuity.

8. Record of Accomplishments: The review committee applauds the Mission's proposal to develop appropriate documentation summarizing USAID's contributions to the development of Argentina and Uruguay. Leaving behind a chronicle of USAID accomplishments

would contribute to an orderly close-out of the USAID program in both countries.

closep.lv



Copy of
e. to
B. at
Lansdown

6. Disposal of XP: suggest we remind them of general guidance on this subject, which was recently judged with OMS.

JOAN King

7. Loan Repayment Schedules: Can these be provided to USAID/B divia COHT or will it be Embassy?

8. Retaining a PC to facilitate AID/Embassy communications: This is an ~~general~~ issue for all close-out missions.

State/AID

AID ret/D. obs. met/looked

access for anyone going in. wiring in bldg. for LAN connection. Maintaining comm. link: would Emb. pick it up.

9 reminder on sentence; see child cable.

10 Support idea for ~~the~~ documentation on latest developments

Uruguay/Argentina Operational Close-out.

are FSAs
seeking TCA
positions.

Meeting FSN Needs: Since Mission has no TCNs on their staff, issue is moot.

2. Position Termination Schedule: Dead & distribute.

3. Mgmt. Oversight:

(a) We should note, for the record, that in the final months of close-out, administrative matters will predominate over program matters; consequently an ExO would seem preferable to an AED Rep from another country. The Bolivia Exp office will already be familiar w/ admin. issues in Uruguay/Argentina.

Bolivia to follow up

(b) TIC Extension for Bot Asst. Has the matter gone to ATwork for a decision?

Regional IB
in Reguc.

4. Audit Mgmt: We should plan audits in such a way as to avoid PACD extensions, particularly post close-out date of 9/30/95.

5. Fin. Mgmt. Close-out Reporting: (See p. 7; top of p. 10)

Uruguay/Argentina
Close-out Review

<u>NAME</u>	<u>OFFICE</u>	<u>TEL #</u>
BARRY BURNETT	M/MPI	7-9988
MICHAEL ROGAL	m/mPI	72902
✓ MARY ANN EPLEY	m/AS/OMS	5-1790
✓ NANCY L. HOFFMAN	m/AS/OMS	5-1873
✓ Dick Lowrie	LAC/SPM	7-8689
✓ BT GREENE	M/B	7 7763
✓ BABETTE PREVOT	LAC/SAM	74359
✓ KAREN ANDERSON	LAC/SPM	7-9108
✓ Doug Robbins		

Rynn. 736-4297
M/B/PA

To: Michael A. Rogal@M.MPI@AIDW
Babette Prevot@LAC.SAM@AIDW
Kent Hickman@FA.OMS@AIDW
Cc:
Bc:
From: BARRY BURNETT@M.MPI@AIDW
Subject: Uruguay-Argentina Operational Close-out Plan
Date: Monday, September 19, 1994 11:16:42 EDT
Attach:
Certify: N
Forwarded by:

While the subject plan offers a detailed blue-print for closing down the two missions, the following observations are offered for discussion at the review meeting September 21.

1. Meeting FSN Needs: The close-out plan sets forth a number of actions supportive of FSN needs during the final phases of close-out. However, the plan states at the bottom of page 2 that, "The USAID/Bolivia Personnel Office will prepare a cable to USAID/W requesting clarification and/or special consideration for terminating employees in light of a recent Contract Information Bulletin instructing missions to actively reduce the contracting of TCNs in favor of cooperating country nationals." I should think that a close-out Mission should be allowed to retain TCN staff if such staff are deemed necessary to achieve an orderly close-out.
2. Position Termination Schedule: The plan (page 3) indicates that such a schedule is attached. Does the Desk have this schedule for review by the committee?
3. Management Oversight: The plan lays out various options for providing USDH oversight of the Mission during the final months of FY 1995. Since all but one project will have been completed by June 30, 1995, it would appear that EXO-related matters would constitute the bulk of outstanding close-out activity during this period. Consequently, the USAID/Bolivia Deputy EXO would seem the preferred choice of the options laid out on page 4.
4. Audit Management: The plan suggests (bottom of page 6) that the USAID Controller may extend PACDs in order to carry out recipient audits. I believe every effort should be made to schedule required project audits in advance of current PACDs so that extension of these dates can be avoided.
5. Financial Management Close-out Reporting: The close-out plan indicates some uncertainty regarding financial close-out reporting (as did the Chile close-out plan). I suggest we respond as we did in the Chile case, with the following language: "The close-out plan indicated some uncertainty regarding financial management close-out reporting requirements. USAID/W does not require any special financial reporting. We would propose that USAID/Uruguay-Argentina consult with the USAID/Bolivia Controller to ensure that all financial matters are properly handled. The preparation of 1311 reports on a quarterly basis to establish residual funds and other routine financial reports would be expected to continue through mission close-out. This also includes clearing all outstanding AOCs in coordination with FM in USAID/W."
6. Disposal of NXP: The plan notes that the USAID/Bolivia Executive Office will assist USAID Uruguay-Argentina in preparing a plan for disposal of property. I suggest we refer the mission to the recent cable outlining close-out experience to date, which addresses NXP as follows: "As missions are

aware, there are standard procedures for disposing of NXP, including ADP and security equipment. Missions should ensure that IRM and IG/SEC are advised and concur in mission's plans for disposing of ADP and security equipment, respectively. Only NXP which is new in cartons should be advertised for distribution to other missions. If a mission has NXP falling into this category, a detailed listing (item description, size, color, etc.) should be sent to AS/OMS/OPM for preparation of distribution cables. Otherwise, all other NXP should be disposed of in accordance with HB 23, Chapter 4, Section 227.3."

EMPLOYEEPOSITIONCONTRACT TERMINATIONUruguay

Juan Carlos Belza	Sr. Projec Officer	9-30-95
Ma. Juliana Abella	Sr. Project Officer	9-30-95
Jorge Saracini	Project Officer	12-31-94
Aldo Giacri	Chief Accountant/ Management Officer	9/30/95
Mariel Meloni	Executive Secretary	9/30/95
Graziella Rubini	Voucher Examiner	9/30/95
Veronica Suero	Secretary	6/30/95
Marcel Martinez	Clerk/Chauffeur	9/30/95

Argentina

Ricardo Bisso	Project Officer	9-30-95
Elizabeth Ainscough	Exec.Sec./Office Manager	9-30-95

To: babette prevot@lac.sam@aidw
Cc: aldog
B:
From: Robert Asselin@USAID@MONTEVIDEO
Subject: re: Uruguay-Argentina Operational Close-out Plan
Date: Monday, September 19, 1994 16:38:54 EDT
Attach: B:\staff
Certify: N
Forwarded by: Babette Prevot@LAC.SAM@AIDW

Forwarded to: BARRY BURNETT@M.MPI@AIDW
cc:
Forwarded date: Tuesday, September 20, 1994 13:37:09 EDT
Comments by: Babette Prevot@LAC.SAM@AIDW
Comments:

Here are the answers to your questions directly from Bob Asselin.
Babette

----- [Original Message] -----

. Here are the answers for Barry Burnett.

①
The reference to possible assistance in placing our personnel as TCNs in other missions was inserted in case any employees indicated an interest in such. They have not; therefore, we should just drop this sentence. FYI - We have no TCNs.

②
We are attaching the FSN contract termination schedule, which has already been agreed with both Ambassadors and each employee, and is a modified version of what was presented in the Action Plan; i.e., modified to take account of the AA/LAC's decision to have us close by the end of FY95. At first, I thought you were referring to a schedule of actions we are still in the process of preparing in order to manage the close-out process. We are doing this because we found the close-out plan format a little too cumbersome to use to monitor progress in meeting deadlines, and in order to assign responsibility for the various actions.

③ (a)
It is correct that we planned the close-out so that actions during the last quarter would be almost exclusively related to administrative matters. Whether an EXO or CONT USDH employee from Bolivia or the USAID Rep. to Chile is assigned as Acting Rep. to Arg/Uru is up to the LAC Bureau to decide. At our meeting in La Paz, where Tom Nicastro was present, it was suggested that it might be he rather than a USAID/B employee who took over in order to provide some advance exposure to him for what he would have to do the next year. The important thing is that a USDH employee be given the responsibility, both because certain actions can only be effected by a US Rep and because our FSNs, whose quality and dedication is excellent, will still need to be supervised during this period. I recommend the person selected be here 6 weeks during the 13-week last quarter of activity.

(b)
I would also like to remind USAID/W that I am still awaiting official word whether I am to be granted a six-month extension of my TIC, which currently expires Feb. 28, 1995. If this is not granted soon, I will have to plan to leave post by Dec.31, 1994 in order to attend the Career Transition Course, and the LAC Bureau will have to assign a new USAID Rep here for the last nine months of the Office's operations (while projects are also terminating).

Adjusting to this departure schedule would also necessitate our changing the timing of many of the close-out steps contemplated in the current Plan.

④ We will try to avoid the necessity of extending PACDs just to complete audits, but there may be a case or two where it is important to capture the whole period of project activity. A final schedule of recipient audits will be made during Mario Rocha's TDY next week.

⑤ Without re-reading the Plan, I am not certain what uncertainty exists regarding final financial reporting. I don't think there is any, really. USAID/B will ensure all reporting is accomplished.

⑥ We had a pretty full discussion of NXP options when we were in La Paz. The guidance is clear, and with the EXO assistance planned, we will proceed.

⑦ One thing Washington can discuss is whether it will ever be possible for the Agency to provide a consolidated list of loan payments due to the Embassy personnel in each country who will have to work with the USAID/B Controller after we close to make sure 620Q payments are made on time.

That's all for now, folks. I am sure we will have numerous questions to ask as we implement the Pplan. Thank you.



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

JUN 27 1994

Assistant
Administrator
for Latin America
and the Caribbean

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR MANAGEMENT

FROM: AA/LAC, Mark Schneider *[Handwritten Signature]*

SUBJECT: Uruguay Close-Out: Combined Program and Close-out Plan

ACTION: Your approval is requested for the attached FY 1995 close-out plan for Uruguay, as summarized below.

BACKGROUND: The attached USAID/Uruguay Action Plan and Close-out Plan was reviewed and approved by the LAC Bureau on February 3, 1994. This close-out plan calls for all bilateral projects to be phased out during FY 95, and for the Mission to shut its doors by September 30, 1995. No new project starts will be authorized.

On the operational side, close-out issues have been identified and initial plans have been developed. Severance pay procedures have been clarified. A close-out conference was held in La Paz on May 18-19 to finalize operational plans for close-outs in Uruguay, Argentina and Chile.

The attached documentation (Action Plan and the DAEC reporting cable, State 095364) summarize these program and operational plans.

DESCRIPTION:

A. Program Close-Out

1. Schedule of Portfolio Close-out and Continuing Activities.

Except for the specific activity discussed in "C" below, all bilateral, central and regional projects in Uruguay are to terminate by June 30, 1995. Any residual billing, reporting and documentation functions will be completed by USAID/La Paz.

2. Program Funding

FY 1994 will be the final year in which program funding is provided.

3. Evaluations

Two evaluations of the USAID/Uruguay program (growth and democracy objectives) will be completed prior to the end of the individual activities and prior to the departure of the USAID Representative.

Given that all projects have third quarter FY 1995 PACDs, the Mission will concentrate on completing EOP reporting and documentation during the fourth quarter of FY95.

4. Local Currency Counterpart

Local currency counterpart associated with the a 1986 ESF Program had a balance of the equivalent of approximately \$5 million at the time of the Action Plan review. The USAID Representative will try to arrange for complete disbursement of the local currency account in accordance with current guidelines before the current government leaves office in March 1995. If he is unable to do so, he will advise USAID/Washington that it may need to make an exception to the local currency management policy in order to have funds disbursed by the time USAID closes.

There are no other local currency programming issues.

5. Participant Training

USAID/Uruguay does not have any long-term participant training in its portfolio.

B. Operational Close-Out

The Mission will prepare a detailed operational close-out plan with the assistance of the Regional Service Center in La Paz. The plan will be submitted to the LAC Bureau in June, 1994.

1. Personnel

The employee release plan presented by the Mission in the Action Plan will be modified in the Operational Close-out Plan to reflect the earlier than proposed closing of the USAID office in Montevideo. The USAID Representative, the only USDH at post, will depart post at the beginning of the 4th quarter of FY95. Entering FY95, the Mission will have 8 FSNs on board, 5 OE and 3 program funded. An orderly departure of all FSNs will occur during FY95.

2. Real and Non-Expendable Property

The Mission has determined that its limited NXP will either be transferred to USAID/Bolivia or sold by the Embassy (per HB 23, Ch 131) with proceeds to USAID. The mission has no trust fund or contractor-titled property. USAID is located in the U.S. Embassy, which is property of the U.S.G.

3. Records Management

Records will be closed out under a plan to be sent to the Agency's Records Management Officer.

4. Close-out Support

The Mission will receive necessary close-out support from - USAID/La Paz. The LAC Bureau has provided adequate OE funding in FY1994 and pledged to make every effort to provide sufficient OE funding in FY1995 to support the Mission during close-out.

C. Outstanding Issues

The Peace Corps SPA program will continue after close-out. It qualifies for a categorical exception as provided in the PPC close-out guidance.

RECOMMENDATION: That you approve the close-out plan for the Uruguay Mission as presented in the attached documentation and discussed in this memorandum.

Approved: _____

Disapproved: _____

Date: _____

7-1-94

Attachments:

- (1) Uruguay Action Plan
- (2) DAEC Reporting Cable, State 095364

JUNE 29, 1994

Note to: AA/M, Larry Byrne
From: M/MPI, Barry Burnett *B/S*
Subject: Close-Out Plans for Uruguay and Argentina

The attached close-out plans for Uruguay and Argentina are straightforward and non-controversial. The USAID/W review directed the Mission to close its offices and release all personnel by September 30, 1995, the planned close-out date. A detailed operational close-out plan, currently in preparation, will reflect this determination.

The only activity continuing past close-out, other than the Peace Corps SPA program (a categorical exception), is the International Cooperative Biodiversity Groups (ICBG) Program which is operating in three countries, Chile, Argentina and Costa Rica. At the Costa Rica close-out review, you approved the continuation of this five year (1993-1998) program beyond the Mission's close-out date.

I recommend that you approve the close-out plans for Uruguay and Argentina, as summarized in the accompanying Action Memorandums.

Clearances: M/MPI: Michael Rogal *for B/S* Date: 6/29/94
M/MPI: Caroline D. McGraw *for* Date: 6/29/94



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

JUN 27 1994

Assistant
Administrator
for Latin America
and the Caribbean

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR MANAGEMENT

FROM: AA/LAC, Mark Schneider 

SUBJECT: Argentina Close-Out: Combined Program and Close-out Plan

ACTION: Your approval is requested for the attached FY 1995 close-out plan for Argentina, as summarized below.

BACKGROUND: The attached USAID/Argentina Action Plan and Close-out Plan was reviewed and approved by the LAC Bureau on February 3, 1994. This close-out plan calls for all bilateral projects to be phased out during FY 95, and for the Mission to shut its doors by September 30, 1995. No new project starts will be authorized.

On the operational side, close-out issues have been identified and initial plans have been developed. Severance pay procedures have been clarified. A close-out conference was held in La Paz on May 18-19 to finalize operational plans for close-outs in Uruguay, Argentina and Chile.

The attached documentation (Action Plan and the DAEC reporting cable, State 095364) summarize these program and operational plans.

DESCRIPTION:

A. Program Close-Out

1. Schedule of Portfolio Close-out and Continuing Activities.

Except for the specific activity discussed in "C" below, all bilateral, central and regional projects in Argentina are to

65

terminate by September 30, 1995. Any residual billing, reporting and documentation functions will be completed by USAID/La Paz.

2. Program Funding

FY 1994 will be the final year in which program funding is provided.

3. Evaluations

A single evaluation of the USAID/Argentina democracy program will be completed prior to the end of the individual activities and prior to the departure of the USAID Representative.

Given that all but one project have third quarter FY 1995 PACDs, the Mission will concentrate on completing EOP reporting and documentation during the fourth quarter of FY95.

4. Local Currency Counterpart

There is no local currency in Argentina.

5. Participant Training

USAID/Argentina does not have any long-term participant training in its portfolio.

B. Operational Close-Out

The Mission will prepare a detailed operational close-out plan with the assistance of the Regional Service Center in La Paz. The plan will be submitted to the LAC Bureau in June, 1994.

1. Personnel

The employee release plan presented by the Mission in the Action Plan will be modified in the Operational Close-out Plan to reflect the earlier than proposed closing of the USAID office in Montevideo. The USAID Representative, the only USDH at post, will depart post at the beginning of the 4th quarter of FY95. Entering FY95, the Mission will have 2 program funded FSNs on board. An orderly departure of all FSNs will occur during FY95.

2. Real and Non-Expendable Property

The Mission has determined that its limited NXP will either be transferred to USAID/Bolivia or sold by the Embassy (per HB 23, Ch 131) with proceeds to USAID. The mission has no trust fund or contractor-titled property. USAID is located in rented facilities in downtown, Buenos Aires whose lease will be terminated on September 30, 1995.

3. Records Management

Records will be closed out under a plan to be sent to the Agency's Records Management Officer.

4. Close-out Support

The Mission will receive necessary close-out support from USAID/La Paz. The LAC Bureau has provided adequate OE funding in FY1994 and pledged to make every effort to provide sufficient OE funding in FY1995 to support the Mission during close-out.

C. Outstanding Issues1. Continuation beyond close-out of the International Cooperative Biodiversity Groups Program (ICBG)

Discussion: A LAC/Bureau recommendation regarding the possible continuation of the jointly sponsored USAID/NIH/NSF ICBG research program beyond close-out in Chile, Argentina and Costa Rica was reviewed and recommended for approval at the Costa Rica close-out meeting chaired by the Agency close-out coordinator.

RECOMMENDATION: That you approve the close-out plan for the Argentina Mission, including the Recommendations on outstanding issues, as presented in the attached documentation and discussed in this memorandum.

Approved: _____

Disapproved: _____

Date: _____

[Handwritten Signature]

 7-20-94

Attachments:

- (1) Argentina Action Plan
- (2) DAEC Reporting Cable, State 095364

Clearance

DAA/LAC:NParker	<u>MAP</u>
LAC/DR:EZallman	<u>(Draft)</u>
LAC/SAM:AMcDonald	<u>(Draft)</u>
AA/PPC:TBrown	<u>(Draft)</u>
LAC/DPP:JStepanek	<u>(Draft)</u>
LAC/DPP:RMeehan	<u>(Draft)</u>
M/MCS:MRogal	<u>for S/D</u>
G/R&D/POP:JWilkinson	<u>(Draft)</u>
GC/LAC:RMeighan	<u>(Draft)</u>
LAC/CONT:FRobbins	<u>(Draft)</u>

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PAGE 01 OF 02 STATE 095364 120511Z 4131 007066 AID1220
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ORIGIN OFFICE LADR-03
INFO RDPD-01 BHR-01 PPOD-01 DL-01 FAPB-01 LASA-02 AALA-01
PPSP-01 IG-01 GC-01 GCLA-01 AAG-01 PRPC-01 HEAL-04
OUTI-01 POP-04 LADI-04 SEOP-01 GEO-01 IGII-02 SERP-01
SECS-02 AMAD-01 ATPC-04 PPD1-01 FABP-02 LATI-01 LADP-04
PPCE-01 PPDC-01 /052 AB 12/0517Z

INFO LOG-00 ARA-00 TEDE-00 /002R

DRAFTED BY: AID/LAC/DR/SA:GBERTOLIN:GB:URU:URARGAPP.CAB
APPROVED BY: AID/AA/LAC:MSCHNEIDER
AID/DAA/LAC:NPARKER AID/LAC/DR:EZALLMAN
AID/LAC/DPP:JSTEPANEK (DRAFT) AID/M/MCS:MROGAL (DRAFT)
AID/LAC/SAM:BBLACKMAN (DRAFT) AID/PPC/POL/OD:TBROWN (DRAFT)
AID/G/R&D/POP:DGILLESPIE (DRAFT) AID/LAC/DI:KSCHOFIELD (DRAFT)
AID/LAC/DPP:RMEEHAN
AID/GC/LAC:RMEIGHAN
AID/LAC/TI:RSTRYKER

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E. O. 12356: N/A

TAGS:

SUBJECT: FY 95-96 CLOSEOUT/ACTION PLAN FOR URUGUAY AND ARGENTINA

1. THE FY 95-96 CLOSEOUT/ACTION PLAN FOR URUGUAY AND ARGENTINA WAS REVIEWED ON FEBRUARY 9, 1994. THE DAEC WAS

CHAIRMAN BY AA/LAC MARK SCHNEIDER. IN ATTENDANCE WERE REPRESENTATIVES FROM M, G, PPC, GC/LAC, AND ALL APPROPRIATE LAC OFFICES. THE AID REPRESENTATIVE, ROBERT ASSELIN, PRESENTED THE ACTION PLAN. THE CLOSEOUT/ACTION PLAN WAS APPROVED BY THE BUREAU, SUBJECT TO THE GUIDANCE AND MODIFICATIONS NOTED BELOW.

2. CLOSE OUT DATE: ALL BILATERAL PROGRAM ACTIVITIES MUST BE TERMINATED AND THE USAID OFFICES IN MONTEVIDEO AND BUENOS AIRES CLOSED BY SEPTEMBER 30, 1995. POSSIBLE EXCEPTIONS ARE DISCUSSED IN PARA 7 BELOW. IN ALL BUT ONE CASE THIS CLOSEOUT DATE WILL REQUIRE INDIVIDUAL ACTIVITY TERMINATION NO LATER THAN JUNE 30, 1995. ALL USAID OEFUNDED STAFF WILL BE OFF THE ROLLS BY SEPTEMBER 30, 1995.

3. PROGRAM EVALUATION: CONCERN WAS EXPRESSED THAT THE PLANNED TIMING FOR EVALUATION OF THE URUGUAY AND ARGENTINA

PROGRAMS WOULD NOT ALLOW FOR PARTICIPATION OF THE USAID REPRESENTATIVE AND WOULD BE TOO LATE TO PROVIDE USEFUL INFORMATION FOR POTENTIAL REGIONAL OR OTHER DONOR PROGRAMS. THE USAID REPRESENTATIVE AGREED TO MOVE THE EVALUATION FORWARD SO THAT IT WOULD BE COMPLETED PRIOR TO THE END OF THE INDIVIDUAL ACTIVITIES AND PRIOR TO HIS DEPARTURE.

4. SECTIONS 599/547: THE ISSUE WAS RAISED OF A POSSIBLE CONFLICT BETWEEN THE BUSINESS DEVELOPMENT SERVICE (BDS) ACTIVITIES OF IESC SUPPORTED BY USAID IN ARGENTINA AND THE SECTION 599/547 PROHIBITION ON SUPPORT FOR INVESTMENT

PROMOTION ACTIVITIES. THE USAID REPRESENTATIVE EXPLAINED THAT IESC HAS PROCEDURES IN PLACE IN ITS HOME OFFICE TO SCREEN OUT ANY ACTIVITIES WHICH MIGHT CONFLICT WITH THE LEGISLATION. HOWEVER, IN CONSULTATIONS WITH POL/PAR SUBSEQUENT TO THE ACTION PLAN REVIEW AND FOLLOWING EXAMINATION OF THE IESC-USAID/ARGENTINA AGREEMENT, IT WAS DETERMINED THAT, DESPITE THE CONSIDERABLE SAFEGUARDS PUT IN PLACE BY IESC AND USAID/ARGENTINA, SOME RISK OF INAPPROPRIATE INVESTMENT PROMOTION ACTIVITIES REMAINS. TO ELIMINATE THIS RISK, TRADITIONAL JOINT VENTURES, THE PURPOSE OF WHICH IS INVESTMENT PROMOTION, SHOULD BE REMOVED FROM THE IESC PROGRAM IN ARGENTINA.

USAID/ARGENTINA SHOULD AMEND THE GRANT AGREEMENT WITH IESC TO 1) INCLUDE THE CLAUSES CONTAINED IN APPENDICES B AND C OF PD 20 AS APPROPRIATE; AND 2) CLARIFY THAT THE FOLLOWING ACTIVITIES ARE PROHIBITED AS PER P. 7 OF PD 20:

- INVESTMENT PROMOTION MISSIONS TO THE U.S.;
- MEDIA ADVERTISING IN THE U.S. AIMED AT ENCOURAGING RELOCATION OF U.S. FIRMS TO THE HOST COUNTRY;
- TRAINING OF WORKERS FOR FIRMS THAT INTEND TO RELOCATE;
- SUPPORT FOR A U.S. OFFICE OF AN ORGANIZATION WHOSE MISSION INCLUDES PROMOTING INVESTMENT IN THE HOST COUNTRY.

5. LAC/TECH SUPPORT: LAC/TECH ADVISED THAT, GIVEN THEIR OWN BUDGET CONSTRAINTS, THEY WOULD NOT BE ABLE TO PROVIDE ALL THE SUPPORT REQUESTED IN THE ACTION PLAN. THE USAID

REPRESENTATIVE AGREED TO FUND TRAVEL FOR SOME OF THE LAC/TECH ADVISORS WHICH RESOLVED THE ISSUE.

6. PROGRAM AND OPERATING BUDGETS: IN THE ACTION PLAN THE USAID REPRESENTATIVE ASKED FOR FULL AND PROMPT FUNDING OF THE ACTION PLAN REQUEST IN ORDER TO BRING PROGRAM ACTIVITIES TO A RAPID, BUT ORDERLY CLOSE. NO FY 95 FUNDS WERE REQUESTED. ON THE QUESTION OF TIMING, LAC/DPP

ADVISED THAT ONCE THE CLOSE-OUT/ACTION PLAN IS APPR FULL FUNDING OF THE APPROVED ACTIVITIES WILL BE "LO IN" AND WILL BE IMMEDIATELY AVAILABLE TO THE MISSIO BUDGET LEVELS ARE DISCUSSED IN PARA 9 BELOW.

7. POSSIBLE EXCEPTIONS TO THE CLOSEOUT DATE: EACH 0

BEYOND THE SEPTEMBER 30, 1995, CLOSEOUT DATE WAS REVIEWED WITH THE FOLLOWING CONCLUSIONS:

(A). IESC: IN THE ACTION PLAN, THE IESC/BDS PROGRAM IS SCHEDULED FOR TERMINATION IN THE SECOND QUARTER OF FY 96. PER THE ACTION PLAN REVIEW, USAID/ARGENTINA SUPPORT FOR THE IESC PROGRAM WILL BE TERMINATED NO LATER THAN SEPTEMBER 30, 1995.

(B) WOMEN'S STRATEGIC RESOURCES: THIS CENTRALLY FUNDED ACTIVITY IS TO SUPPORT LATIN AMERICAN NGOS' PARTICIPATION IN A MAJOR UNITED NATIONS WORLD CONFERENCE ON WOMEN IN SEPTEMBER 1995. SUPPORT FOR THIS PROGRAM INTO FY 96 WAS

ALSO QUESTIONED BY REVIEWERS ON THE GROUNDS THAT ACTIVITIES OF PROJECT PARTICIPANTS MIGHT CONTINUE INTO FY 96, WHICH WOULD BE CONTRARY TO THE CLOSEOUT GUIDANCE. HOWEVER, G/R&D/WID CLARIFIED DURING THE REVIEW THAT NO ACTIVITIES WOULD BE SUPPORTED IN FY 96, WHICH RESOLVED THE ISSUE.

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USAID/W BY JUNE 1, 1994.
CHRISTOPHER

(C) ENR AGREEMENT WITH NIN AND NSF INTERNATIONAL COOPERATIVE BIO-DIVERSITY GROUPS (ICBG) PROGRAM: THIS AGREEMENT, WHICH EVALUATES THE POTENTIAL BIO-DIVERSITY GAINS FROM THE ARGENTINE (AND SEVERAL OTHER LATIN AMERICAN) ECOSYSTEMS (MEDICAL PROSPECTING), WAS SIGNED IN FY 93 AND WOULD CONTINUE FOR FIVE YEARS. THE DECISION AS TO WHETHER THIS PROJECT MAY CONTINUE TO THE PLANNED PACD IN ARGENTINA AND OTHER CLOSEOUT COUNTRIES WILL BE DEFERRED TO A SPECIAL LAC BUREAU COMMITTEE (WITH PPC, M AND GLOBAL BUREAU REPRESENTATION). ANY COMMITTEE RECOMMENDATION TO CONTINUE THE ICBG PROGRAM WOULD BE SUBJECT TO APPROVAL BY THE AGENCY CLOSEOUT COORDINATOR.

(D) POPULATION ACTIVITIES: THE ISSUE OF POPULATION ACTIVITIES IN URUGUAY WAS RAISED WHEN G/R&D/POP ADVISED THAT THEY PLAN TO INCLUDE APPROXIMATELY DOLS 270,000 IN THE CP FOR POPULATION ACTIVITIES IN URUGUAY IN FY 95. G/R&D/POP SUBSEQUENTLY ADVISED THAT ALL PLANNED CONTRACEPTIVE SUPPLIES WOULD BE RECEIVED IN URUGUAY PRIOR TO THE MISSION CLOSEOUT DATE, WHICH CLOSED THE ISSUE.

(E) ESF LOCAL CURRENCY: THE LOCAL CURRENCY ACCOUNT FROM A 1988 ESF PROGRAM IN URUGUAY CURRENTLY HAS A BALANCE OF THE

EQUIVALENT OF APPROXIMATELY DOLS 5 MILLION, A PORTION OF WHICH IS SHOWN IN THE ACTION PLAN AS REMAINING TO BE SPENT IN FY 96. THE USAID REPRESENTATIVE AGREED TO TRY TO ARRANGE FOR COMPLETE DISBURSEMENT OF THE LOCAL CURRENCY ACCOUNT IN ACCORDANCE WITH CURRENT GUIDELINES BEFORE THE CURRENT GOVERNMENT LEAVES OFFICE AT THE END OF CY 1994. IF HE IS UNABLE TO DO SO, HE WILL ADVISE USAID/WASHINGTON THAT IT MAY NEED TO MAKE AN EXCEPTION TO THE LOCAL CURRENCY MANAGEMENT POLICY IN ORDER TO HAVE FUNDS DISBURSED BY DECEMBER 1994.

(F) PEACE CORPS/SPA: THE PEACE CORPS SPA PROGRAM QUALIFIES FOR A CATEGORICAL EXCEPTION AS PROVIDED IN THE DRAFT PPC CLOSEOUT GUIDANCE

8. POSSIBLE FUTURE ACTIVITIES: THE POTENTIALLY VALUABLE ROLE URUGUAYAN AND ARGENTINE ORGANIZATIONS CAN PLAY IN CIVIC PARTICIPATION, ADMINISTRATION OF JUSTICE AND NAFTA-COMPATIBILITY ACTIVITIES ON A REGIONAL BASIS WAS FULLY ENDORSED BY AA/LAC. THEIR PARTICIPATION IN REGIONAL PROGRAMS IN THESE AREAS WAS SUPPORTED BY AA/LAC ON THE GROUNDS THAT DEMOCRACY AND NAFTA COMPATIBILITY ARE VITAL FOREIGN POLICY CONCERNS OF THE UNITED STATES. IN PARTICULAR AA/LAC STRESSED THE STRONG U.S. FOREIGN POLICY INTEREST IN CONSOLIDATING DEMOCRATIC DEVELOPMENT IN THE SOUTHERN CONE. LAC/TI AND LAC/DI, IN CONSULTATION WITH THE USAID REPRESENTATIVE, WILL PREPARE REGIONAL ASSISTANCE PROGRAMS WHICH WILL INVOLVE THE PARTICIPATION OF URUGUAYAN AND ARGENTINE ORGANIZATIONS. SUCH PROGRAMS WOULD BE MANAGED FROM USAID/W OR FROM A NON-CLOSEOUT COUNTRY IN SOUTH AMERICA.

9. SUBJECT TO SOME MODEST MODIFICATIONS RESULTING FROM EARLIER THAN PLANNED TERMINATION OF SOME ACTIVITIES, THE CLOSEOUT/ACTION PLAN BUDGET REQUESTS OF DOLS 1.525 MILLION FOR ARGENTINA AND DOLS 1,001 FOR URUGUAY WERE APPROVED. LAC WILL FULLY FUND PLANNED ACTIVITIES THROUGH THE NEW ACTIVITY TERMINATION DATES WITH FY 94 FUNDING. FINAL BUDGET LEVELS WILL BE PROVIDED WHEN THE USAID REPRESENTATIVE HAS REVISED THE REQUEST IN LIGHT OF THE NEW TERMINATION DATES.

10. THE OPERATIONAL CLOSE-OUT PLAN IS TO BE SUBMITTED TO

BEST AVAILABLE COPY

UNCLASSIFIED

70

To: BARRY BURNETT@M.MPI@AIDW
Cc: Garland Standrod@R+D.PO@AIDW
Mike Philley@s+t.en@AIDW, Jeannine Koshear@s+t.en@AIDW
From: Daniel Mark Putterman@s+t.en@AIDW
Subject: Requested Info on ICBG Project
Date: Wednesday, July 20, 1994 at 2:48:11 pm EDT
Attach: C:\WPWIN\ICBG1.BRI
Certify: N
Forwarded by:

I've been asked by Mike Philley to respond to your email dated July 18 addressed to Jeannine Koshear requesting additional information on the ICBG project in Mexico, Chile and Argentina.

Chile and Argentina are both committing resources to the ICBG project in that the academic institutions involved, Institute of Biological Resources (INTA) and National University of Patagonia, both in Argentina, and the Catholic University of Chile, are paying part of the salaries of the project personnel, as well as supplying part of the budget for equipment and supplies. The ICBG project does not attempt to create from scratch the scientific resources in these countries--it is utilizing preexisting resources for the project, and sharing the costs with the host country institutions.

With regard to Strategic Objectives, please see the attached briefing memo which I wrote for Dr. Ann Van Dusen last December for her speech given at press conference to announce the ICBG awards. The Talking Points section at the end of the briefing specifically describes how the ICBG program furthers USAID's Strategic Objectives.

Please contact me if you have further questions.

--Daniel Putterman (703)875-4622

BRIEFING MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR,
GLOBAL BUREAU

TO: Ann VanDusen, AA/G

CC: Erin Soto, G
Mike Philley, G/R&D/ENR

FROM: Daniel M. Putterman, AAAS Diplomacy Fellow, G/R&D/ENR,
ICBG Program Coordinator for USAID

SUBJECT: Press Conference To Announce ICBG Grant Awards

Date: Tuesday, December 7, 1993
Time: 1:30-3:00 P.M.
Place: Gold Room, Rayburn House Office Building,
Room 2168

Participants:

Dr. Philip Schambra, Director, Fogarty International Center
Ms. Vicky Elkins, Office of Rep. John E. Porter (Tentative)
Dr. Samuel Broder, Director, National Cancer Institute
National Science Foundation (Speaker to be determined)
Dr. Francesca Grifo, ICBG Program Manager
Dr. Thomas Eisner, ICBG Grantee, Cornell University
Dr. Mark Plotkin, ICBG Grantee, Conservation International
Dr. Barbara Timmerman, ICBG Grantee, University of Arizona
Dr. Maurice Iwu, ICBG Grantee, University of Nigeria

Purpose: This press conference was called to announce the first five grants awarded by the International Cooperative Biodiversity Groups (ICBG) grant program. You will be asked to speak for approximately 5 minutes on the topic: "Interests and Expectations of the Participating Agencies" as the representative from AID. Your talk is scheduled for approximately 1:40 P.M.

Background: The ICBG program is a collaborative grant program administered by three agencies, USAID, the National Institutes of Health (NIH), and the National Science Foundation (NSF). The purpose of the ICBG program is to address the interdependent issues of biodiversity conservation, sustained economic growth, and human health in terms of drug discovery for diseases of concern to both developing and industrialized countries. The unifying theme underlying this program is the belief that the discovery and development of pharmaceuticals from natural products can, under appropriate circumstances, promote sustained economic activity in developing countries while conserving the biological resources from which these products are derived.

The five ICBG grants awarded will fund a diverse set of players, linking developing country researchers, nongovernment organizations/private voluntary organizations (NGO's/PVO's) and indigenous peoples with U.S. academic and industry partners and

conservation NGO's. The International Cooperative Biodiversity Groups (ICBG's--the name given each of the international collaborations funded by the ICBG program) will take a comprehensive approach including inventories of both native species and indigenous knowledge as well as the development of collection practices compatible with conserving biodiversity; improving the scientific infrastructure within partner developing countries through support of museums, herbaria, and laboratories or other capacity strengthening activities; discovery, isolation, and preclinical evaluation of agents from natural sources to treat or prevent diseases or medical conditions of concern to both developed and developing countries; and training related to all of the above.

In June of 1992 a one-time request for applications (RFA) to establish these ICBG's was released. Applicants were required to develop their own benefits sharing arrangements among the participants within each grant proposal, including but not limited to "novel contractual arrangements" for the sharing of technology, royalty money, and other benefits with the developing country partners. Of the five grants to be announced, four will be in Latin America and one in Africa:

Dr. Barbara Timmerman of the University of Arizona and colleagues will collaborate with the Institute of Biological Resources of Buenos Aires and the National University of Patagonia in Argentina, the Catholic University of Chile and National Autonomous University of Mexico, and American Cyanamid Co. and Lederle Laboratories to study arid land plants in Argentina, Chile and Mexico.

Dr. Jerrold Meinwald of Cornell University will be team leader for Cornell's effort to study insects and related arthropods from the dry forests of the Guanacaste Conservation Area in Costa Rica, in conjunction with the Instituto Nacional de Biodiversidad (INBio) of Costa Rica, the University of Costa Rica, and Bristol-Myers Squibb Pharmaceutical Research Institute.

Dr. David G. I. Kingston of the Virginia Polytechnic Institute and State University in Blacksburg, VA and his group will collaborate with the indigenous people of Suriname, Conservation International, the National Herbarium of Suriname, the Missouri Botanical Garden and Bristol-Myers Squibb Pharmaceutical Research Institute to study rainforest plants in Suriname.

Dr. Walter Lewis of Washington University in St. Louis will collaborate with the Natural History Museum in Lima, Peru, the Cayetano Peruvian University, and Monsanto Co. to examine plants that have been used medicinally for generations in Andean tropical rainforests in Peru.

Dr. Brian G. Schuster will lead a group based at Walter Reed Army Hospital searching for cures to parasitic diseases derived

from rainforest plants of Cameroon and Nigeria. Their collaborators are the Smithsonian Institution, the University of Yaounde in Cameroon, the Biodiversity Support Program (a consortium of three NGO's comprised of World Wildlife Fund, The Nature Conservancy, and World Resources Institute), Shaman Pharmaceuticals, Inc., and Bristol-Myers Squibb Pharmaceutical Research Institute.

Talking Points:

-- The ICBG program is the first effort by the U.S. government to promote equitable biodiversity prospecting in developing countries. As such, it represents our commitment to the spirit of the United Nations Convention on Biological Diversity, which calls on industrialized nations to promote the sharing of benefits realized from genetic resources derived from developing countries.

-- The ICBG program is in accord with the four goals contained within AID's mission to promote sustainable development. By capturing some of the value for developing countries of nontimber forest products used as raw material by the pharmaceutical industry, we encourage economic growth. This growth will be broad-based because each ICBG has drafted intellectual property protection through novel contractual agreements between developing country participants and U.S. researchers and pharmaceutical companies, requiring economic benefits to be returned to a wide cross-section of people. These include indigenous people who will share their knowledge of medicinal plants as well as developing country researchers participating in the project.

-- A portion of royalty or other money shared will be devoted to in situ biodiversity conservation efforts, thus promoting the second of AID's goals for sustainable development. In addition, strong conservation incentives will be created merely by the act of giving economic value to nontimber forest products. Note that in all five ICBG's legal mechanisms to protect wild populations from overharvesting have been built into the projects.

-- Several of the ICBG's will develop biological assays to discover new natural compounds active against tropical diseases. Tropical diseases affect some 600 million people in developing countries worldwide, and research into new cures for these have been traditionally underfunded. By promoting biodiversity prospecting for tropical disease cures, we promote AID's third goal of protecting human health in developing countries.

-- By encouraging biotechnology transfer and the training of developing country researchers in biodiversity prospecting, we empower people to help themselves. With the aid of the ICBG program, developing country scientists may one day join us at the fore of pharmaceuticals research and development, taking their

place in the global marketplace of ideas. This type of economic democracy, part of AID's fourth goal for sustainable development, is good for developing nations, and it is good for the U.S. as well. With the liberalization of world trade promoted by international agreements such as the General Agreement on Tariffs and Trade, building the capability of developing countries to do pharmaceuticals research should create more business opportunities worldwide, especially for U.S. firms.

-- The goal of the ICBG program is to encourage "win-win" collaborations between the public and private sectors worldwide. By encouraging developing countries to tap into the world pharmaceuticals market, estimated at \$200 billion per year, we create additional sources of foreign exchange for them. In so doing we bring developing nations one step closer to self-reliance, and move toward breaking the cycle of dependency on foreign aid. This, ultimately, is the goal of sustainable development, and that of AID.

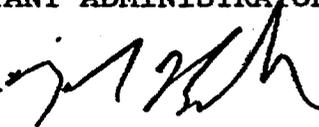


U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

JUN 27 1994

Assistant
Administrator
for Latin America
and the Caribbean

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR MANAGEMENT

FROM: AA/LAC, Mark Schneider 

SUBJECT: Uruguay Close-Out: Combined Program and Close-out Plan

ACTION: Your approval is requested for the attached FY 1995 close-out plan for Uruguay, as summarized below.

BACKGROUND: The attached USAID/Uruguay Action Plan and Close-out Plan was reviewed and approved by the LAC Bureau on February 3, 1994. This close-out plan calls for all bilateral projects to be phased out during FY 95, and for the Mission to shut its doors by September 30, 1995. No new project starts will be authorized.

On the operational side, close-out issues have been identified and initial plans have been developed. Severance pay procedures have been clarified. A close-out conference was held in La Paz on May 18-19 to finalize operational plans for close-outs in Uruguay, Argentina and Chile.

The attached documentation (Action Plan and the DAEC reporting cable, State 095364) summarize these program and operational plans.

DESCRIPTION:

A. Program Close-Out

1. Schedule of Portfolio Close-out and Continuing Activities.

Except for the specific activity discussed in "C" below, all bilateral, central and regional projects in Uruguay are to terminate by June 30, 1995. Any residual billing, reporting and documentation functions will be completed by USAID/La Paz.

2. Program Funding

FY 1994 will be the final year in which program funding is provided.

3. Evaluations

Two evaluations of the USAID/Uruguay program (growth and democracy objectives) will be completed prior to the end of the individual activities and prior to the departure of the USAID Representative.

Given that all projects have third quarter FY 1995 PACDs, the Mission will concentrate on completing EOP reporting and documentation during the fourth quarter of FY95.

4. Local Currency Counterpart

Local currency counterpart associated with the a 1986 ESF Program had a balance of the equivalent of approximately \$5 million at the time of the Action Plan review. The USAID Representative will try to arrange for complete disbursement of the local currency account in accordance with current guidelines before the current government leaves office in March 1995. If he is unable to do so, he will advise USAID/Washington that it may need to make an exception to the local currency management policy in order to have funds disbursed by the time USAID closes.

There are no other local currency programming issues.

5. Participant Training

USAID/Uruguay does not have any long-term participant training in its portfolio.

B. Operational Close-Out

The Mission will prepare a detailed operational close-out plan with the assistance of the Regional Service Center in La Paz. The plan will be submitted to the LAC Bureau in June, 1994.

1. Personnel

The employee release plan presented by the Mission in the Action Plan will be modified in the Operational Close-out Plan to reflect the earlier than proposed closing of the USAID office in Montevideo. The USAID Representative, the only USDH at post, will depart post at the beginning of the 4th quarter of FY95. Entering FY95, the Mission will have 8 FSNs on board, 5 OE and 3 program funded. An orderly departure of all FSNs will occur during FY95.

2. Real and Non-Expendable Property

The Mission has determined that its limited NXP will either be transferred to USAID/Bolivia or sold by the Embassy (per HB 23, Ch 131) with proceeds to USAID. The mission has no trust fund or contractor-titled property. USAID is located in the U.S. Embassy, which is property of the U.S.G.

3. Records Management

Records will be closed out under a plan to be sent to the Agency's Records Management Officer.

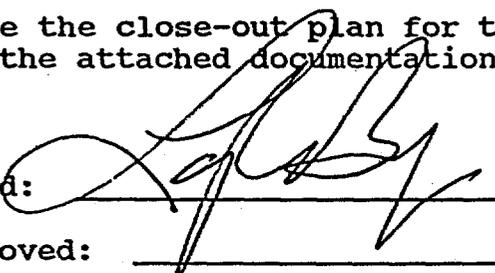
4. Close-out Support

The Mission will receive necessary close-out support from - USAID/La Paz. The LAC Bureau has provided adequate OE funding in FY1994 and pledged to make every effort to provide sufficient OE funding in FY1995 to support the Mission during close-out.

C. Outstanding Issues

The Peace Corps SPA program will continue after close-out. It qualifies for a categorical exception as provided in the PPC close-out guidance.

RECOMMENDATION: That you approve the close-out plan for the Uruguay Mission as presented in the attached documentation and discussed in this memorandum.

Approved:  _____

Disapproved: _____

Date: 7-1-94

Attachments:

- (1) Uruguay Action Plan
- (2) DAEC Reporting Cable, State 095364

NOTE TO: AA/M, LARRY BYRNE

FROM: M/MPI, BARRY BURNETT *Barry Burnett* JUL 18 1994

SUBJECT: ARGENTINA CLOSE-OUT PLAN

In our July 5 discussion regarding the Argentina Close-out Plan, you asked if the International Cooperative Biodiversity Groups (ICBG) Program was justified in Argentina and Chile. After discussing this program with both the LAC and Global Bureaus, I believe the program's continuation in both countries is justified. Leaving aside the commitment USAID has made to NIH, NSF and the participating countries, there are considerations which warrant USAID's continued support:

Technical: The objectives of the program in Mexico, Argentina and Chile are to discover and develop pharmaceuticals and crop-protection agents from plants from poorly known floristic areas in these countries. In addition to screening for several types of diseases, including AIDS, cardiovascular, allergies and cancer, the potential agricultural applications in the areas of crop protection and animal health represents a unique dimension of this grant. Specifically, researchers are hopeful that natural, safer pesticides might be developed from this dryland research.

Financial: While Argentina and Chile are relatively better-off financially than most developing countries, they lack the capacity for conducting the initial screening for bioactive compounds that this program entails. Indeed, a major objective of the ICBG program is to develop the institutional capacity in the participating countries to conduct their own bioprospecting and biodiversity preservation for sustainable development. It is not clear that the participating Latin American countries could find the resources to sustain this program if USAID were to pull out. Moreover, the United States stands to gain as much from this research effort as the other countries involved in the program.

I am attaching additional information on this program. Essentially, the underexplored dryland flora of the targeted research countries, in combination with the institutions involved in the exercise, presents a unique set of circumstances for advancing the research objectives.

Clearances: MRogal *MRogal* Date: 7/15/94
CMcGraw *CMcGraw* Date: 7/19/94

To: BARRY BURNETT@M.MPI@AIDW
Cc: Mike Philley, Daniel Mark Putterman, Twig Johnson
Dan Deely, John Wilson
cc: Jeannine Koshear@s+t.en@AIDW
From: re: Mission Close-outs
Subject: re: Mission Close-outs
Date: Wednesday, July 6, 1994 12:06:24 EDT
Attach:
Certify: N
Forwarded by:

In answer to your question:

Whereas these countries may be relatively affluent, they don't presently have the capacity to do the initial screening for bioactive compounds that this program entails. A major part of the ICBG program is setting up facilities and training people to do the initial screening of compounds, so that in the future these countries will be better equipped to do their own bioprospecting and to caretake their own biodiversity for sustainable development.

Lest we focus exclusively on the biomedical aspects of this program, I would point out that it really rests on four pillars: biodiversity conservation, drug discovery and development, ethnobiological studies, and the potential contribution that products derived from biological sources can make to sustainable development. The infrastructure for conserving biodiversity, institutionally and human resource-wise, is fairly rudimentary in both Argentina and Chile, and there are virtually no internal resources available for this type of research on even the modest scale of the ICBG program. I would also point out that this is an integrated program working in three countries, Mexico being the third, and the linkages for the utilization and conservation of drylands that will result from this project will benefit all four of the participating countries (Argentina, Chile, Mexico, U.S.) since they face similar challenges in the conservation of biodiversity in arid regions.

I hope the faxed information will provide sufficient explanation of the program's goals and scope to answer any questions. Feel free to ask more questions as they arise.

To: BARRY BURNETT@M.MPI@AIDW
Cc: Garland Standrod@R+D.PO@AIDW
Mike Philley@s+t.en@AIDW
Daniel Mark Putterman@s+t.en@AIDW
John Wilson@s+t.en@AIDW, Twig Johnson@s+t.en@AIDW
Dan Deely@s+t.en@AIDW
Bcc:
From: Jeannine Koshear@s+t.en@AIDW
Subject: re: Mission Close-outs
Date: Wednesday, July 6, 1994 10:59:27 EDT
Attach:
Certify: N
Forwarded by:

If you send me your fax number, I can fax you an information memorandum composed earlier this year regarding the unique aspects of the ICBG program, which includes a justification for continuation in closeout countries.

The work that is being done in Argentina and Chile is part of a larger project that is working in Mexico as well. Plants are being collected from poorly known areas in all three countries, and are being tested for bioactive compounds. The activity screening is being conducted for the following types of diseases: cardiovascular, central nervous system, intermediary metabolism, allergy/inflammation; gastrointestinal, cancer; anti-viral; anti-bacterial; and agricultural applications in crop protection and animal health.

This last represents a unique aspect of this grant as compared to the four others in this program. Plants of arid regions tend to have several classes of compounds--resins, phenols, and alkaloids, among others--to protect them from herbivory, and to date, very little "prospecting" for bioactive compounds has been done with arid-region plants. It is reasonable to hypothesize that some of these compounds which are useful in repelling potential predators might also serve as natural pesticides, and provide safer alternatives to the tremendous overuse and abuse of pesticides and herbicides currently taking place in Latin America. No other ICBG group focuses on dryland plants, or includes screening for agricultural or animal health purposes.

Excellent institutional linkages exist between the Catholic University of Chile, the National University of Patagonia, the Institute of Biological Resources in Argentina, the National University of Mexico, and the University of Arizona, the host institution for this project. In addition to the little-explored resources represented in the dryland flora of these countries, the institutional linkages, and the capacity-building that is integral to the success of this research, are unique to these countries and institutions. This project represents one of the more innovative approaches among those receiving funding under the ICBG program, and could not be carried out elsewhere. For all of these reasons, it deserves AID support for its continuation.

**FAX TRANSMITTAL
PLEASE HANDLE AS URGENT**

**BUREAU FOR RESEARCH AND DEVELOPMENT
OFFICE OF ENVIRONMENT AND NATURAL RESOURCES
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523-1812**

**Mailing Address: G/R&D/ENR
Room 509, SA-18
Agency for International Development
Washington, D.C. 20523-1812**

**Delivery Address: Rosslyn, Plaza C (SA-18), Room 509
1601 N. Kent Street, Arlington, VA 22209**

FAX MESSAGE FOR: Barry Burnett

ORGANIZATION/USAID OFFICE: _____

FAX NUMBER: (202) 736 7189 **OFFICE TELEPHONE:** _____

Sender: J. Kosher

Office: G/R&D/ENR

Sender's Fax No.: (703) 875-4639

Office Telephone: (703) 875- 812-2269

NOTE: If any part of this message is missing or illegible, please call sender at number above.

Number of pages, including cover page: 8 **Date Sent:** 7/6 **Time Sent:** 12 pm

COMMENTS: Here's a load of info on ICBC and on Timmerman's grant in particular

INFORMATION MEMORANDUM FOR THE ACTING ASSISTANT
ADMINISTRATOR, GLOBAL BUREAU

From: Twig Johnson, G/E/ENR

Subject: Funding for International Cooperative Biodiversity Groups (ICBG) program in LAC closeout countries

In answer to the questions that have been raised regarding the appropriateness of USAID-funded activities past the phase-out date in specific countries, the following information is presented.

--The ICBG (International Conservation of Biodiversity Groups) program is an innovative and groundbreaking partnership between USAID, NSF and NIH to fund international projects combining work in four major areas:

- biodiversity conservation
- drug discovery and development, especially for diseases affecting developing countries
- ethnobiological studies, documenting traditional usage of plants and/or animal resources
- the potential contribution these products can make to sustainable development

--Support for this program will total approximately \$2.5 million per year for the next five years, of which approximately \$500,000 is from USAID. Five awards were made this fiscal year, with each worth approximately \$400,000. Four of them are in Latin America and one is in Africa.

--The ICBG program is noteworthy because it emphasizes cooperation between scientific researchers both in the U.S. and abroad, institution and capacity building in host countries for biodiversity conservation, private sector pharmaceutical firms, host country cooperators such as indigenous groups, and the conservation and development community including NGOs and PVOs. As such, it fits in very well with USAID and U.S. government policy directives concerning biodiversity conservation and sustainable development.

--Although geographic, taxonomic, and ecosystem diversity were all considerations in the selection of finalist proposals, they were ranked in a peer-review process similar to that used by NSF. Overall excellence in creating an integrated project combining the four program areas outlined above was the major criterion used in ranking.

combining the four program areas outlined above was the major criterion used in ranking.

--The Intellectual Property Rights agreements of the projects were closely scrutinized both during the peer review and in the final award process to ensure that fair and adequate returns would be made to the appropriate host country groups or institutions.

--ICBG is not part of our bilateral country-level assistance program and, as such, mission participation and support is encouraged at whatever level the mission deems appropriate. However, it is not mandatory. In addition, this program, like the NSF/AID collaborative program, works in non-AID countries. Grants were made on the basis of overall excellence, not which countries the ICBG groups proposed to work in.

--This program has already generated a high degree of interest and publicity, as indicated by the New York Times article following the announcement of awards and subsequent coverage on NPR. There is a great deal of excitement both in the U.S. and abroad about this program and its potential as a model for a comprehensive, collaborative approach to biodiversity conservation, drug discovery, and sustainable development. For USAID to ~~rely~~^{rely} on its contractual commitments at this point would be extremely embarrassing and could generate a tremendous amount of adverse publicity.

Attachments: Press release describing program and awards
 Summary of Timmerman ICBG project activities
 New York Times article of Dec. 8, 1993

BIOACTIVE AGENTS FROM DRYLAND PLANTS OF LATIN AMERICA

The objectives of this International Cooperative Biodiversity Group (ICBG) are to discover and develop pharmaceuticals and crop-protection agents from plants of arid and semi-arid ecosystems in Latin America and to promote sustained economic activity while conserving biological resources in these fragile environments. To meet these objectives, The University of Arizona will work with the Catholic University of Chile in Santiago, the National University of Patagonia and the Institute of Biological Resources (INTA), in Argentina, and the National University of Mexico (UNAM). In the U.S., Louisiana State University, Purdue University, and the Medical and Agricultural Research Divisions of American Cyanamid Company will be working with The University of Arizona.

Plants will be collected from poorly known floristic areas in Mexico, Chile, and Argentina. The highest priority will be given to plants that have a rich ethnobotanical background, thereby increasing the chances for potential drug use. The collections will be chemically processed for a battery of biological testings in the U.S. These will be conducted at American Cyanamid Company in a variety of in vitro screens. Therapeutic areas of potential target application include the following medical areas: central nervous system; cardiovascular; intermediary metabolism; allergy/inflammation; gastrointestinal; cancer; anti-viral; and anti-bacterial; and agricultural applications in crop protection and animal health.

This group is also interested in the potential for commercial production of biologically active compounds which ultimately could result in the development of specialty cash crops for the country in which the compound originated. Both Latin American and North American graduate students and postdoctoral fellows will be trained in the isolation and identification of compounds, as well as the growing, large scale extraction, and processing of plant materials.

Issues concerning implications for biodiversity and sustained economic activity will be identified and strategies for minimizing negative impacts and defining and assuring local community benefits will be developed. These objectives will encourage sharing of resources and knowledge and will create the necessary framework for achieving the project's potential long-term conservation and health benefits. It also will leave a legacy on which to build responsible programs for the future. Biological, chemical, geographic, and bibliographic information on each species will be included in a database in both English and Spanish.

For more information contact:

Dr. Barbara N. Timmermann, The University of Arizona, Tucson, AZ 85721; Phone: (602) 626-2481; Fax: (602) 626-4063; Internet: timmermn@tonic.pharm.arizona.edu



NIH NEWS
National Institutes of Health



National Science Foundation

**FOR IMMEDIATE RELEASE
DECEMBER 7, 1993**

**Contact: Jim Bryant
301-496-2075**

**FIRST FIVE-YEAR AWARDS ARE ANNOUNCED
UNDER INTERAGENCY BIODIVERSITY PROGRAM**

WASHINGTON, D.C. -- The first awards under the jointly sponsored International Cooperative Biodiversity Groups (ICBG) program were announced today at a press conference on Capitol Hill organized by the National Institutes of Health (NIH), the National Science Foundation (NSF), and the U.S. Agency for International Development (USAID).

Five groups, consisting of diverse private and public institutions including pharmaceutical companies and environmental organizations in seven countries, will collaborate on projects which address biodiversity conservation and the promotion of sustained economic activity through drug discovery from natural products. Support for this innovative program will total approximately \$2.5 million per year over the next five years, shared among the NIH, NSF, and USAID. The Fogarty International Center, the international arm of the NIH, both administers the program on behalf of the sponsoring agencies and contributes to it along with the National Cancer Institute, the National Institute of Allergy and Infectious Diseases, the National Institute of Mental Health, and the National Heart, Lung, and Blood Institute.

These investments in part represent the U.S. Government's commitment to uncover new knowledge that will lead to better health for everyone, promote and advance scientific progress and to achieve sustainable development that focuses on the environment, health and population, democracy, and sustained economic activity.

Projects include the selection and acquisition of natural products derived from biological diversity as potential therapeutic agents for diseases of concern to both developed and developing

(More)

countries, such as AIDS, cancer, parasitic diseases, and heart disease. Other important components include the examination of traditional medicine practices, development of long-term strategies to ensure sustainable harvesting, biodiversity inventories and surveys, training and infrastructure support for host-country institutions, and long-term funding for biodiversity conservation in the host countries.

Intellectual property agreements have been negotiated among participating institutions so that economic benefits from these discoveries are equitably shared and accrue to local communities and indigenous peoples involved in the discovery of the natural product. Contributions from pharmaceutical companies include screening for therapeutic potential, training opportunities, equipment donations, financial support, and a percentage of royalties from the sales of products developed from this program.

AWARD HIGHLIGHTS

- o Dr. David G.I. Kingston of the Virginia Polytechnic Institute and State University in Blacksburg, VA, will collaborate with the forest people of Suriname, Conservation International, the National Herbarium of Suriname, the Missouri Botanical Garden, Bedrijf Geneesmiddelen Voorziening Suriname, and Bristol-Myers Squibb Pharmaceutical Research Institute to study rainforest plants in Suriname.
- o Dr. Walter Lewis of Washington University in St. Louis will collaborate with the Natural History Museum in Peru, the Cayetano Peruvian University, and the Monsanto Company to examine plants that have been used medicinally for generations in Andean tropical rainforests of Peru.
- o Dr. Jerrold Meinwald of Cornell University in Ithaca, NY, will be team leader for the study of insects and related species from the dry tropical forests of the Guanacaste Conservation Area in Costa Rica, in conjunction with the National Biodiversity

Institute (INBio) of Costa Rica, the University of Costa Rica, and Bristol-Myers Squibb Pharmaceutical Research Institute.

- o Dr. Brian G. Schuster will lead a group based at Walter Reed Army Institute of Research focusing on cures for parasitic diseases from rainforest plants of Cameroon and Nigeria. Their collaborators are the Smithsonian Institution, The University of Yaounde in Cameroon, the Biodiversity Support Program, (a consortium of the World Wildlife Fund, the Nature Conservancy and World Resources Institute), Shaman Pharmaceuticals, and Bristol-Myers Squibb Pharmaceutical Research Institute.

- o Dr. Barbara Timmermann of The University of Arizona at Tucson and colleagues will collaborate with the Institute of Biological Resources of Buenos Aires and the National University of Patagonia in Argentina, the Catholic University of Chile, the National University of Mexico, Purdue University, Louisiana State University, and the Medical and Agricultural Divisions of American Cyanamid Company to study arid land plants in Argentina, Chile, and Mexico.

Additional information may be obtained by contacting Dr. Francesca Grifo, ICBG Program Manager, Fogarty International Center, National Institutes of Health, Building 31, Room B2C32, 9000 Rockville Pike, Bethesda, MD 20892; Phone: 301-496-2516; Fax: 301-402-2056; or Internet: f6g@cu.nih.gov.

(FIC 93-8)

U.S. Aids Program to Produce Drugs in Developing Nations

By WARREN E. LEARY
Special to The New York Times

WASHINGTON, Dec. 7 — The Government today announced the first awards under a program to find and produce new drugs from plants and animals in the developing world while preserving endangered species.

Five groups, each representing unusual collaborations among university researchers, environmental organizations, pharmaceutical companies, museums and government agencies, will share \$2.5 million annually for five years.

Developing new drugs from natural products not only may produce treatments for diseases like cancer and AIDS, but could also promote economic growth in emerging nations through sustainable harvesting instead of clearing tropical forests for conventional farming or other land uses that can hurt the diversity of species, officials said.

Reversing conventional development trends requires solutions that will not only benefit the environment, but

also populations that need economic alternatives, said Dr. Phillip E. Schambra, director of the Fogarty International Center. The center is the international arm of the National Institutes of Health, a sponsor of the program.

"In the United States, one-quarter of all pharmaceuticals are substances extracted from plants," said Dr. Schambra, adding that another 13 percent of the drugs are derived from bacteria and other microorganisms. "Yet, only a tiny fraction of the world's biological wealth has been studied for potential therapeutic benefit."

The five awards under the International Cooperative Biodiversity Groups Program join scientists and institutions in the United States with their counterparts in Argentina, Cameroon, Chile, Costa Rica, Mexico and Suriname. More than 20 research institutions and organizations worldwide are to be involved in the effort, which is sponsored by the United States Agency for International Development and the National Science Foundation, along with the health institutes.

The program was developed under environmental agreements reached in the 1992 Earth Summit in Rio de Janeiro. President Clinton, reversing a decision by the Bush Administration, had the United States sign a biodiversity treaty this year to protect the world's dwindling stock of species.

Dr. Francesca Grifo, who manages the program for the Fogarty center, said each of the winning projects calls for gathering data on conventional medicines, prospecting for biological chemicals active against disease and testing them, training native people to do the work and sharing the patents and royalties from any commercial products with people from the region where the material was found.

Five Teams Named

Dr. David G. I. Kingston of the Virginia Polytechnic Institute and State University in Blacksburg, Va., leads a team that is studying rain forest plants in Suriname. Together with Conservation International, the Missouri Botanical Garden and Bristol-Myers Squibb Pharmaceutical Research Institute,

researchers are working with forest people to identify traditional plant medicines that have drug potential.

A team headed by Dr. Walter Lewis of Washington University in St. Louis, which included the Monsanto Company, is to look at medicinal plants used in the Andean rain forests of Peru.

Dr. Jerrold Meinwald of Cornell University, working with Bristol-Myers Squibb, leads a team that will go to Costa Rica and look at insects and related species as potential sources of drugs. In addition, Costa Rican scientists and students will train at Cornell on how to isolate potentially useful chemicals from insects.

Dr. Brian G. Schuster of the Walter Reed Army Institute of Research, working with the Smithsonian Institution and two drug companies, will study rain forest plants in Nigeria and Cameroon for treatments for parasitic diseases.

DO NOT FORGET THE NEEDIEST!

NY Times
Dec. 8, 1993

NOTE TO: AA/M, LARRY BYRNE

FROM: M/MPI, BARRY BURNETT *Barry Burnett* JUL 18 1994

SUBJECT: ARGENTINA CLOSE-OUT PLAN

In our July 5 discussion regarding the Argentina Close-out Plan, you asked if the International Cooperative Biodiversity Groups (ICBG) Program was justified in Argentina and Chile. After discussing this program with both the LAC and Global Bureaus, I believe the program's continuation in both countries is justified. Leaving aside the commitment USAID has made to NIH, NSF and the participating countries, there are considerations which warrant USAID's continued support:

Technical: The objectives of the program in Mexico, Argentina and Chile are to discover and develop pharmaceuticals and crop-protection agents from plants from poorly known floristic areas in these countries. In addition to screening for several types of diseases, including AIDS, cardiovascular, allergies and cancer, the potential agricultural applications in the areas of crop protection and animal health represents a unique dimension of this grant. Specifically, researchers are hopeful that natural, safer pesticides might be developed from this dryland research.

Financial: While Argentina and Chile are relatively better-off financially than most developing countries, they lack the capacity for conducting the initial screening for bioactive compounds that this program entails. Indeed, a major objective of the ICBG program is to develop the institutional capacity in the participating countries to conduct their own bioprospecting and biodiversity preservation for sustainable development. It is not clear that the participating Latin American countries could find the resources to sustain this program if USAID were to pull out. Moreover, the United States stands to gain as much from this research effort as the other countries involved in the program.

I am attaching additional information on this program. Essentially, the underexplored dryland flora of the targeted research countries, in combination with the institutions involved in the exercise, presents a unique set of circumstances for advancing the research objectives.

Clearances: MRogal _____ Date: _____
CMcGraw _____ Date: _____

JUNE 29, 1994

Note to: AA/M, Larry Byrne
From: M/MPI, Barry Burnett
Subject: Close-Out Plans for Uruguay and Argentina

The attached close-out plans for Uruguay and Argentina are straightforward and non-controversial. The USAID/W review directed the Mission to close its offices and release all personnel by September 30, 1995, the planned close-out date. A detailed operational close-out plan, currently in preparation, will reflect this determination.

The only activity continuing past close-out, other than the Peace Corps SPA program (a categorical exception), is the International Cooperative Biodiversity Groups (ICBG) Program which is operating in three countries, Chile, Argentina and Costa Rica. At the Costa Rica close-out review, you approved the continuation of this five year (1993-1998) program beyond the Mission's close-out date.

I recommend that you approve the close-out plans for Uruguay and Argentina, as summarized in the accompanying Action Memorandums.

Clearances: M/MPI: Michael Rogal _____ Date: _____
M/MPI: Caroline D. McGraw _____ Date: _____

To Richard Loudis@LAC.DR@AIDW
Cc
Bcc.
From: BARRY BURNETT@M.MPI@AIDW
Subject: LAC Mission Close-outs
Date: Friday, June 10, 1994 13:05:03 EDT
Attach:
Certify: N
Forwarded by:

Dick, We appreciated your recent status report on LAC mission close-outs. A few reactions/updates follow:

1. Regarding Mark Schneider's memo on the UDLP as it relates to Costa Rica, Larry Byrne approved rec. # 2, but felt additional justification was needed regarding rec. #1. Suggest strengthening the case for continuing with the Iowa State activity, taking out language which suggests that USAID assistance may not be required to make the linkage work (first sentence in para 3). When revised, I'll see that it gets to Larry.

2. Argentina/Uruguay Action Memo is currently with Gordon Bertolin for correction regarding the International Cooperative Bio-diversity Groups Program (ICBG). The discussion should refer to the recent decision taken on this Program at the Costa Rica review. The discussion should also reflect the significance of continuing to include Argentina in the program, assuming that Argentina provides some unique perspective to the Program.

3. Belize: Assume Katalysis activity is discussed in the revised Action Memo pursuant to decision taken at outset of the Costa Rica Close-out Review meeting June 2.

4. Chile: With regard to Housing Guaranty programs extending beyond the close-out dates in other countries, Byrne has shown an inclination to approve them provided they were supported by the Regional Bureau and the rationale was evident. Also, we assume the revised AM will reflect the ICBG decision.

5. RDO/C: As discussed, I recommend that decisions involving potential project extensions beyond 9/96 be postponed if a detailed discussion regarding rationale, implementation arrangements, funding, etc. cannot be presented at this time (i.e., by end of June, 1994). To ensure transparency, however, there should be a discussion of the possibility of including one or more RDO/C activities in regional programs at some later date, at which point the concurrence of the Coordinator for Mission Close-outs would be sought.

Hope these thoughts are helpful. We are anxious to complete our review of the LAC close-out plans so don't hesitate to contact me or Mike Rogal if we can assist in any way. BSB

To: Gordon Bertolin@LAC.DR@AIDW
Cc: Eric Zallman@LAC.DR@AIDW, Garland Standrod@R+D.PO@AIDW
From: Michael A. Rogal@FA.MCS@AIDW
Subject: Uruguay/Argentine Close Out Plan
Date: Monday, February 7, 1994 10:13:54 EST
Attach:
Certify: N
Forwarded by:

Gordon:

Section 2, 1st para; should read: "was approved by the Bureau." It has not been approved by the Mission Close out Coordinator.

Same Section, Last para; State 360556 provided guidance that Missions were to include all Centrally funded activities in the close out plan based on cables sent by Central Bureaus. In addition, AID/W General Notice issued 1/21/94 by AA/M provided that proposed plans reflect the views and input of the Central Bureaus. If the Bureau and G (or BHR) cannot agree then it will be decided at the MCC review. Therefore, you need to get G's clearance and approval or present the issue for discussion at the MCC/PPC review.

APPR: MS ()

DRAFT: GB ()

CLEAR: NP ()

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CLEAR: EZ ()

CLEAR: ()

AID/LAC/DR/SA:GBERTOLIN:GB:URU\URARGAPF.CAB

CLEAR: ()

04/05/94 647-5252

AID/AA/LAC:MSCHNEIDER

CLEAR: ()

AID/DAA/LAC:NPARKER

AID/LAC/DR:EZALLMAN

AID/LAC/DPP:JSTEPANEK (DRAFT)

AID/M/MCS:MROGAL (DRAFT)

AID/LAC/SAM:BBLACKMAN (DRAFT)

AID/PPC/POL/OD:TBROWN (DRAFT)

AID/G/R&D/POP:DGILLESPIE (DRAFT)

AID/LAC/DI:KSCHOFIELD (DRAFT)

ROUTINE MONTEVIDEO, BUENOS AIRES

AIDAC

E.O. 12356: N/A

TAGS:

SUBJECT: FY 95-96 CLOSEOUT/ACTION PLAN FOR URUGUAY AND ARGENTINA

1. THE FY 95-96 CLOSEOUT/ACTION PLAN FOR URUGUAY AND ARGENTINA WAS REVIEWED ON FEBRUARY 3, 1994. THE DAEC WAS CHAIRED BY AA/LAC MARK SCHNEIDER. IN ATTENDANCE WERE REPRESENTATIVES FROM M, G, PPC, GC/LAC, AND ALL APPROPRIATE LAC OFFICES. THE AID REPRESENTATIVE, ROBERT ASSELIN, PRESENTED THE ACTION PLAN. THE CLOSEOUT/ACTION PLAN WAS APPROVED BY THE BUREAU, SUBJECT TO THE GUIDANCE AND MODIFICATIONS NOTED BELOW.

2. CLOSE OUT DATE: ALL BILATERAL PROGRAM ACTIVITIES MUST BE TERMINATED AND THE USAID OFFICES IN MONTEVIDEO AND BUENOS AIRES CLOSED BY SEPTEMBER 30, 1995. POSSIBLE EXCEPTIONS ARE DISCUSSED IN PARA 7 BELOW. IN ALL BUT ONE CASE THIS CLOSEOUT DATE WILL REQUIRE INDIVIDUAL ACTIVITY TERMINATION NO LATER THAN JUNE 30, 1995. ALL USAID OE-FUNDED STAFF WILL BE OFF THE ROLLS BY SEPTEMBER 30, 1995.

3. PROGRAM EVALUATION: CONCERN WAS EXPRESSED THAT THE PLANNED TIMING FOR EVALUATION OF THE URUGUAY AND ARGENTINA

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PROGRAMS WOULD NOT ALLOW FOR PARTICIPATION OF THE USAID REPRESENTATIVE AND WOULD BE TOO LATE TO PROVIDE USEFUL INFORMATION FOR POTENTIAL REGIONAL OR OTHER DONOR PROGRAMS. THE USAID REPRESENTATIVE AGREED TO MOVE THE EVALUATION FORWARD SO THAT IT WOULD BE COMPLETED PRIOR TO THE END OF THE INDIVIDUAL ACTIVITIES AND PRIOR TO HIS DEPARTURE.

4. SECTIONS 599/547: THE ISSUE WAS RAISED OF A POSSIBLE CONFLICT BETWEEN THE BUSINESS DEVELOPMENT SERVICE (BDS) ACTIVITIES OF IESC SUPPORTED BY USAID IN ARGENTINA AND THE SECTION 599/547 PROHIBITION ON SUPPORT FOR INVESTMENT PROMOTION ACTIVITIES. THE USAID REPRESENTATIVE EXPLAINED THAT IESC HAS PROCEDURES IN PLACE IN ITS HOME OFFICE TO SCREEN OUT ANY ACTIVITIES WHICH MIGHT CONFLICT WITH THE LEGISLATION. HOWEVER, IN CONSULTATIONS WITH POL/PAR SUBSEQUENT TO THE ACTION PLAN REVIEW AND FOLLOWING EXAMINATION OF THE IESC-USAID/ARGENTINA AGREEMENT, IT WAS DETERMINED THAT, DESPITE THE CONSIDERABLE SAFEGUARDS PUT IN PLACE BY IESC AND USAID/ARGENTINA, SOME RISK OF INAPPROPRIATE INVESTMENT PROMOTION ACTIVITIES REMAINS. TO ELIMINATE THIS RISK, TRADITIONAL JOINT VENTURES, THE PURPOSE OF WHICH IS INVESTMENT PROMOTION, SHOULD BE REMOVED FROM THE IESC PROGRAM IN ARGENTINA. USAID/ARGENTINA SHOULD AMEND THE GRANT AGREEMENT WITH IESC TO 1) INCLUDE THE CLAUSES CONTAINED IN APPENDICES B AND C OF PD 20 AS APPROPRIATE; AND 2) CLARIFY THAT THE FOLLOWING ACTIVITIES ARE PROHIBITED AS PER P. 7 OF PD 20:

- INVESTMENT PROMOTION MISSIONS TO THE U.S.;
- MEDIA ADVERTISING IN THE U.S. AIMED AT ENCOURAGING RELOCATION OF U.S. FIRMS TO THE HOST COUNTRY;
- TRAINING OF WORKERS FOR FIRMS THAT INTEND TO RELOCATE;
- SUPPORT FOR A U.S. OFFICE OF AN ORGANIZATION WHOSE MISSION INCLUDES PROMOTING INVESTMENT IN THE HOST COUNTRY.

5. LAC/TECH SUPPORT: LAC/TECH ADVISED THAT, GIVEN THEIR OWN BUDGET CONSTRAINTS, THEY WOULD NOT BE ABLE TO PROVIDE ALL THE SUPPORT REQUESTED IN THE ACTION PLAN. THE USAID REPRESENTATIVE AGREED TO FUND TRAVEL FOR SOME OF THE LAC/TECH ADVISORS WHICH RESOLVED THE ISSUE.

6. PROGRAM AND OPERATING BUDGETS: IN THE ACTION PLAN THE USAID REPRESENTATIVE ASKED FOR FULL AND PROMPT FUNDING OF THE ACTION PLAN REQUEST IN ORDER TO BRING PROGRAM ACTIVITIES TO A RAPID, BUT ORDERLY CLOSE. NO FY 95 FUNDS WERE REQUESTED. ON THE QUESTION OF TIMING, LAC/DPP

ADVISED THAT ONCE THE CLOSE-OUT/ACTION PLAN IS APPROVED, FULL FUNDING OF THE APPROVED ACTIVITIES WILL BE "LOCKED IN" AND WILL BE IMMEDIATELY AVAILABLE TO THE MISSIONS. BUDGET LEVELS ARE DISCUSSED IN PARA 9 BELOW.

7. POSSIBLE EXCEPTIONS TO THE CLOSEOUT DATE: EACH OF THE ACTIVITIES WHICH APPEARED TO HAVE THE POTENTIAL TO EXTEND BEYOND THE SEPTEMBER 30, 1995, CLOSEOUT DATE WAS REVIEWED WITH THE FOLLOWING CONCLUSIONS:

(A). IESC: IN THE ACTION PLAN, THE IESC/BDS PROGRAM IS SCHEDULED FOR TERMINATION IN THE SECOND QUARTER OF FY 96. PER THE ACTION PLAN REVIEW, USAID/ARGENTINA SUPPORT FOR THE IESC PROGRAM WILL BE TERMINATED NO LATER THAN SEPTEMBER 30, 1995.

(B) WOMEN'S STRATEGIC RESOURCES: THIS CENTRALLY FUNDED ACTIVITY IS TO SUPPORT LATIN AMERICAN NGOS' PARTICIPATION IN A MAJOR UNITED NATIONS WORLD CONFERENCE ON WOMEN IN SEPTEMBER 1995. SUPPORT FOR THIS PROGRAM INTO FY 96 WAS ANTICIPATED IN THE "G" LIST OF NEEDED EXCEPTIONS AND WAS ALSO QUESTIONED BY REVIEWERS ON THE GROUNDS THAT ACTIVITIES OF PROJECT PARTICIPANTS MIGHT CONTINUE INTO FY 96, WHICH WOULD BE CONTRARY TO THE CLOSEOUT GUIDANCE. HOWEVER, G/R&D/WID CLARIFIED DURING THE REVIEW THAT NO ACTIVITIES WOULD BE SUPPORTED IN FY 96, WHICH RESOLVED THE ISSUE.

(C) ENR AGREEMENT WITH NIH AND NSF INTERNATIONAL COOPERATIVE BIO-DIVERSITY GROUPS (ICBG) PROGRAM: THIS AGREEMENT, WHICH EVALUATES THE POTENTIAL BIO-DIVERSITY GAINS FROM THE ARGENTINE (AND SEVERAL OTHER LATIN AMERICAN) ECOSYSTEMS (MEDICAL PROSPECTING), WAS SIGNED IN FY 93 AND WOULD CONTINUE FOR FIVE YEARS. THE DECISION AS TO WHETHER THIS PROJECT MAY CONTINUE TO THE PLANNED PACD IN ARGENTINA AND OTHER CLOSEOUT COUNTRIES WILL BE DEFERRED TO A SPECIAL LAC BUREAU COMMITTEE (WITH PPC, M AND GLOBAL BUREAU REPRESENTATION). ANY COMMITTEE RECOMMENDATION TO CONTINUE THE ICBG PROGRAM WOULD BE SUBJECT TO APPROVAL BY THE AGENCY CLOSEOUT COORDINATOR.

(D) POPULATION ACTIVITIES: THE ISSUE OF POPULATION ACTIVITIES IN URUGUAY WAS RAISED WHEN G/R&D/POP ADVISED THAT THEY PLAN TO INCLUDE APPROXIMATELY DOLS 270,000 IN THE CP FOR POPULATION ACTIVITIES IN URUGUAY IN FY 95. G/R&D/POP SUBSEQUENTLY ADVISED THAT ALL PLANNED CONTRACEPTIVE SUPPLIES WOULD BE RECEIVED IN URUGUAY PRIOR TO THE MISSION CLOSEOUT DATE, WHICH CLOSED THE ISSUE.

(E) ESF LOCAL CURRENCY: THE LOCAL CURRENCY ACCOUNT FROM A 1988 ESF PROGRAM IN URUGUAY CURRENTLY HAS A BALANCE OF THE EQUIVALENT OF APPROXIMATELY DOLS 5 MILLION, A PORTION OF WHICH IS SHOWN IN THE ACTION PLAN AS REMAINING TO BE SPENT IN FY 96. THE USAID REPRESENTATIVE AGREED TO TRY TO ARRANGE FOR COMPLETE DISBURSEMENT OF THE LOCAL CURRENCY ACCOUNT IN ACCORDANCE WITH CURRENT GUIDELINES BEFORE THE CURRENT GOVERNMENT LEAVES OFFICE AT THE END OF CY 1994. IF HE IS UNABLE TO DO SO, HE WILL ADVISE USAID/WASHINGTON THAT IT MAY NEED TO MAKE AN EXCEPTION TO THE LOCAL CURRENCY MANAGEMENT POLICY IN ORDER TO HAVE FUNDS DISBURSED BY DECEMBER 1994.

(F) PEACE CORPS/SPA: THE PEACE CORPS SPA PROGRAM QUALIFIES FOR A CATEGORICAL EXCEPTION AS PROVIDED IN THE DRAFT PPC CLOSEOUT GUIDANCE

8. POSSIBLE FUTURE ACTIVITIES: THE POTENTIALLY VALUABLE ROLE URUGUAYAN AND ARGENTINE ORGANIZATIONS CAN PLAY IN CIVIC PARTICIPATION, ADMINISTRATION OF JUSTICE AND NAFTA-COMPATIBILITY ACTIVITIES ON A REGIONAL BASIS WAS FULLY ENDORSED BY AA/LAC. THEIR PARTICIPATION IN REGIONAL PROGRAMS IN THESE AREAS WAS SUPPORTED BY AA/LAC ON THE GROUNDS THAT DEMOCRACY AND NAFTA COMPATIBILITY ARE VITAL FOREIGN POLICY CONCERNS OF THE UNITED STATES. IN PARTICULAR AA/LAC STRESSED THE STRONG U.S. FOREIGN POLICY INTEREST IN CONSOLIDATING DEMOCRATIC DEVELOPMENT IN THE SOUTHERN CONE. LAC/TI AND LAC/DI, IN CONSULTATION WITH THE USAID REPRESENTATIVE, WILL PREPARE REGIONAL ASSISTANCE PROGRAMS WHICH WILL INVOLVE THE PARTICIPATION OF URUGUAYAN AND ARGENTINE ORGANIZATIONS. SUCH PROGRAMS WOULD BE MANAGED FROM USAID/W OR FROM A NON-CLOSEOUT COUNTRY IN SOUTH AMERICA.

9. SUBJECT TO SOME MODEST MODIFICATIONS RESULTING FROM EARLIER THAN PLANNED TERMINATION OF SOME ACTIVITIES, THE CLOSEOUT/ACTION PLAN BUDGET REQUESTS OF DOLS 1.525 MILLION FOR ARGENTINA AND DOLS 1,001 FOR URUGUAY WERE APPROVED. LAC WILL FULLY FUND PLANNED ACTIVITIES THROUGH THE NEW ACTIVITY TERMINATION DATES WITH FY 94 FUNDING. FINAL BUDGET LEVELS WILL BE PROVIDED WHEN THE USAID REPRESENTATIVE HAS REVISED THE REQUEST IN LIGHT OF THE NEW TERMINATION DATES.

10. THE OPERATIONAL CLOSE-OUT PLAN IS TO BE SUBMITTED TO USAID/W BY JUNE 1, 1994. YY

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ADDITIONAL CLEARANCE:

AID/LAC/DPP:RMEEHAN (DRAFT)

AID/GC/LAC:RMEIGHAN (DRAFT)

AID/LAC/TI:RSTRYKER (DRAFT)

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To: Gordon Bertolin@LAC.DR@AIDW
Cc: Eric Zallman@LAC.DR@AIDW, Garland Standrod@R+D.PO@AIDW
From: Michael A. Rogal@FA.MCS@AIDW
Subject: Uruguay/Argentine Close Out Plan
Date: Monday, February 7, 1994 10:13:54 EST
Attach:
Certify: N
Forwarded by:

Gordon:

Section 2, 1st para; should read: "was approved by the Bureau." It has not been approved by the Mission Close out Coordinator.

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Can close by end of Feb as required.
Bus. Dev. Services - Monitor w/o AID presence
Local currency - Uruguay to continue AOT.
IBSC project under Dec 2 from funded US.

TDP/EXIM/OTHER ACTIVITIES

WID No problem
Close out IBSC at 9/30/95

Population - Need more info

~~NASA~~ AOT - Regional Project - Managed by AID/W - LAC

February 3, 1994

ARG + URU

INFORMATION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, LAC

FROM: LAC/DR, Eric Zallman

SUBJECT: Argentina and Uruguay FY 1995-1996 Action Plan Review

Fund all in FY 94

The subject review will begin at 10:00 a.m. on Thursday, February 3, 1994, in the LAC Conference Room (Rm. 2248 NS).

An Issues Meeting was held on Tuesday, February 1, 1994, during which the USAID Representative to Argentina and Uruguay met with USAID/W staff to identify issues which need to be brought forward for consideration by the AA/LAC and senior LAC Bureau staff.

I. Performance and Resource Requirements

A. Country Performance and Political Conditions

Both Argentina and Uruguay are middle-income countries with respectable economic and social indicators. Except for the northernmost provinces of Argentina, the level of poverty common in most other Latin American countries is absent. Per capita GDP in Uruguay is currently over \$4,300 and in Argentina it is over \$7,800. Literacy in both countries exceeds 95%, and life expectancy in Uruguay is 73 years while in Argentina it is over 71 years.

The U.S. enjoys excellent relations with both countries. In Uruguay, this is based on our comparable democratic traditions, similar predominantly middle class societies, and shared concern for social well-being. Under President Menem, Argentina's relationship with the U.S. has radically improved, based primarily on Argentina's successful economic reforms and GOA efforts to align the country politically with the U.S. U.S. exports to Argentina have more than tripled over the last three years, to a level of \$3.5 billion in 1993.

The most significant recent political event in Uruguay was the December 1992 Referendum which resoundingly defeated President Lacalle's plan to create a mixed-capital telephone company. This vote represented a clear public repudiation of his Government's economic reform policies, and transformed the Government into a lame-duck Administration. Privatization and public sector reform

efforts stalled. The Government succeeded in respecting already scheduled tariff reductions to open Uruguay's economy further, but without structural reforms, inflation could only be reduced in 1993 from 58.9% to 52.9% and real GDP growth declined from 7.4% in 1992 to 2.0% in 1993.

This year is an election year in Uruguay, and a new government will take office in March 1995. No significant economic changes are expected in 1994, and the new government will face already known challenges: a) making public sector structural reforms, especially a reduction in the number of central government employees and reform of the social security system; b) taking the most difficult steps necessary to finally tame inflation, and c) finding ways to stimulate private-sector-led growth by undertaking legal, regulatory and judicial reforms to improve the business environment.

The most noteworthy occurrence in Argentina during the past year has been President Menem's consolidation of power. This has been achieved primarily by his Government's very successful economic stabilization and reform program, and as a result of Menem's own remarkable political abilities. The process recently reached a climax with an agreement between Menem's Justicialista Party and Argentina's other primary political party, the Radicales, to amend the Constitution to allow Menem to run for a second term. He is practically guaranteed to win re-election in 1995, and this would result in a total of ten years in power.

Argentina's economic reform program continues to make significant progress. In 1993, fiscal and monetary discipline was firmly maintained; the privatization program (one of the world's largest) was completed; and inflation declined in 1993 to 5%, from a level of 17.5% in 1992. GDP growth also declined from 8.7% in 1992 to 5% in 1993.

The prospects for continued economic progress in Argentina are good. This year, the Government intends to extend the reform process to the provinces. Two very significant economic challenges still exist: undertaking real legal, regulatory and judicial reforms to improve the business climate and provide a politically secure base for economic growth; and beginning to address more seriously the endemic poverty which exists in the northernmost provinces.

The way in which the constitutional amendment process occurred has left many Argentines who are interested in reforming the country's authoritarian traditions very worried. Negotiations took place between the leaders of the two major political parties (President Menem and former President Alfonsin) behind closed doors, and included an agreement to replace three ministers from the nominally independent Supreme Court. The Legislative Branch's role was limited to rubber-stamping what had already

been agreed. Power continues to be very centralized in the Executive Branch, and even political opposition by the Radicales has been completely neutralized for the time being. Argentines concerned with improving their country's democracy will continue to work hard for the reforms they feel are necessary. Their efforts will be supported by the country's free and increasingly responsible press and by pressures brought to bear by Argentina's more open and competitive economy.

B. Program Performance

Argentina

S.O. 1 - More responsible government institutions and a more engaged citizenry. USAID is working in three areas to strengthen democracy in Argentina: justice system improvement, anti-corruption and civic participation. Progress in justice improvement includes establishment of mediation as an accepted dispute settlement mechanism; reforms in provincial courts (including the Supreme Court of the Province of Buenos Aires, which serves one-third of the population) to increase decentralization and responsiveness to the public; and involvement of NGOs and business leaders in building demand for judicial reform. Significant progress has been made in raising public interest in reducing corruption through use of the media, seminars and an increase from 1 to 34 in NGOs working on corruption issues. Similarly, the NGO civic participation grantee has brought 43 other NGOs into civic activities. Civic leaders and school/community groups have been trained and are carrying out community projects. Four non-partisan courses have trained 154 women for political participation, 99 of whom already held political office and 33 of whom were subsequently elected; 35 community projects were started as a result of the training.

S.O. 2 - Improved prospects for business expansion in Argentina. Progress includes improved securities trading regulation and enforcement in collaboration with the U.S. Securities and Exchange Commission, development of 24 proposals for joint ventures between Argentine and U.S. firms through IESC, and identification of renewable energy projects which might generate U.S. exports.

Uruguay

S.O. 1 - More active participation by the private sector in the process of economic reform. USAID's aim has been to complement GOU economic reform efforts by promoting attitudinal changes by private business executives with regard to competitiveness and legal, regulatory and judicial (LRJ) issues. Technical assistance has led to higher product and service quality standards. Competitiveness seminars and technical assistance have helped businesses adopt new strategies and practices. The

Junior Achievement program has grown rapidly and been remarkably successful in involving business executives in improving prospects for private sector growth. Efforts to involve business in LRJ reform have been less successful; private business still sees this as a government responsibility, although some business executives are beginning to demand a more favorable business environment.

S.O. 2 - Improved efficiency and quality in judicial decision-making. Professional training is now a routine part of the judicial profession as a result of the efforts of the USAID-supported Judicial Studies Center. The effectiveness of judicial reform assistance is demonstrated by significant reductions in the time required for first-level civil decisions and in the percentage of Supreme Court sessions devoted to administrative matters.

C. Selected Aspects of Mission Management

1. Strategic Objective Performance Measurement: There have been some minor revisions of indicators for USAID/Argentina and USAID/Uruguay strategic objectives since submission of last year's Action Plan. The objective statement for one USAID/Argentina strategic objective, formerly "Increased US-Argentine Trade and Investment", was modified to "Improved Prospects for Business Expansion in Argentina". A number of indicators were modified to reflect changes in the activities measured. For example, the indicator measuring the establishment of a national judicial school in Argentina was changed to measure the number of provincial judicial education centers established or strengthened. This change responds to difficulties encountered in working with the federal Supreme Court on establishment of a judicial school, and a subsequent opportunity that arose to work with provincial education centers.

Data collection has proceeded on schedule for most indicators. Data were lacking this year, however, for strategic objective level indicators for the USAID/Argentina objective, "More responsible government institutions and a more engaged citizenry." Data for these indicators are provided by periodic surveys by the NGO Poder Ciudadano, which were not conducted this year. For the USAID/Uruguay objective "More active participation by the private sector in the process of economic reform", data are still lacking pending completion of a survey of businessmen's attitudes and practices which the USAID is carrying out with a local survey firm.

Both programs have succeeded in setting targets for a number of Program Outcome indicators which lacked targets last year. In a few cases, indicator targets were revised to reflect experience gained regarding probable rates of progress in achieving Program Outcomes. In some cases, targets were modified upward,

reflecting the fact that progress is expected to move more quickly than originally expected. In one case, a target was revised to reflect a more modest expectation of progress.

In accordance with Bureau guidance for close-out countries, only minor modifications, if any, are expected in indicators for these two programs.

2. Mortgage and Pipeline Status: Since Uruguay and Argentina do not have portfolios with individually authorized projects, there is no real "mortgage" to consider. There are ongoing activities which will require some additional funding to complete in an orderly fashion. These remaining funding requirements represent 30% of the current life of activity funding planned in Argentina and 21% in Uruguay. These activities would be fully funded by the Action Plan FY 94 request level. The current pipelines of these activities are \$1,798,000 and \$1,578,000 for Argentina and Uruguay respectively. These figures do not include the nearly \$5 million of local currency from an earlier \$25 million ESF program which is yet to be disbursed. As would be expected with activities of a very short duration, the pipelines represent a fairly large percentage of funds obligated-- 41% for Argentina and 47% for Uruguay.

3. OE Budget and FTE Profile: The OE budget level for FY 94 will be \$350,000. The increase from the AP level of \$331,000 is needed to cover the previously planned shift of an FSN to program funding which cannot now take place because the PACD will arrive before planned termination for this particular employee.

The FY 95 budget will be re-cast to include the USAID Representative's departure cost in the downsizing cost section. Also terminal costs for the FSNs will be included in FY95, and all costs currently shown in FY 96 will most likely have to be shifted to FY 95. A revised Table 5 will be prepared in two weeks time. Equipment NXP shown in FY 94 will be included in another line item, and nothing will show for NXP Procurement in either year.

4. Audit Recommendation Status: There are no outstanding audit recommendations for either Uruguay or Argentina.

5. Internal Control Assessment (ICA) Recommendation Status: Implementation of all Internal Control recommendations is on schedule.

6. Special Concerns for Close-out Countries: There are no long-term participant training or contraceptive procurement elements to either the Uruguay or Argentina program. The disposition of local currency in Uruguay is an issue discussed below. The detailed operational close-out plan will be completed

by the mission once the programmatic close-out plan is approved.

D. Program Budget Requirements

Actual and Proposed Assistance Levels: Argentina

<u>Source</u>	(\$000)					
	Actual FY 93 (1)	OYB FY 94 (1)	CP FY 95	FY94	Action Plan FY95 FY96	
ITT ¹	625	375	0	375	0	0
AOJ/DI ²	1,000	850	0	1,150	0	0
TOTAL	1,625	1,225	0	1,525	0	0

Actual and Proposed Assistance Levels: Uruguay

<u>Source</u>	(\$000)					
	Actual FY 93 (1)	OYB FY 94 (1)	CP FY 95	FY94	Action Plan FY95 FY96	
ITT	965	535	0	535	0	0
AOJ/DI	190	250	0	466	0	0
TOTAL	1,155	785	0	1,001	0	0

II. Issues Meeting: Issues resolved during the Issues meeting are summarized below.

¹Inter-country Technology Transfer-- The primary DA funding source for MDC programs

²ESF-funded

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Program Evaluation: Concern was expressed that the planned timing for evaluation of the Uruguay and Argentina programs would not allow for participation of the USAID Representative and would be too late to provide useful information for potential regional or other donor programs. The USAID Representative agreed to move the evaluation forward so that it would be completed prior to the end of the individual activities and prior to his departure.

Sections 599/547: The issue was raised of a possible conflict between the joint-venture "matchmaking" activities of IESC supported by USAID in Argentina and the Section 599/547 prohibition on support for investment promotion activities. The USAID representative explained that IESC has procedures in place in its home office to screen out any activities which might conflict with the legislation. The chairman of the Issues Meeting felt that this response probably responded adequately to the concern, but asked that the USAID Representative review these provisions with POL/PAR to make sure the program is in full compliance with Section 599/547.

Local Currency Account: At the present rate of disbursement, the local currency available from a 1988 ESF program would not be fully liquidated until late FY 1996. The USAID Representative was asked if he and the GOU could find ways to accelerate these disbursements. He agreed to try to arrange for complete disbursement before the current government leaves office at the end of CY 1994. If he can do so this will resolve the issue. If not, he will advise USAID/Washington if USAID/W needs to make an exceptional decision to modify the local currency management policy in order to have funds disbursed by December 1994.

Program and Operating Budgets: In the Action Plan the USAID Representative asked for full and prompt funding of the Action Plan request in order to bring program activities to a rapid, but orderly close. No FY 95 funds were requested. LAC/DPP advised that once this Close-out/Action Plan is approved, full funding of the requested activities will be "locked in" and will be immediately available to the Missions. The lock-in levels will reflect any changes resulting from earlier than proposed termination (see Issue #3 below.) The funding shortfall currently at a maximum of \$516,000.

LAC/TECH Support: Prior to the Issues meeting, LAC/TECH advised that, given their own budget constraints, they would not be able to provide all the support requested in the Action Plan. The USAID Representative agreed to fund travel for some of the LAC/TECH advisors which resolved the issue.

III. Issues

1. **Issue:** The Action Plan does not provide for full closure of the aid office by the end of FY 95. What steps are needed to bring the Close-out Plan into compliance with the requirements? What exceptions might be made on the grounds of foreign policy or regional program needs?

Discussion: The current Action Plan calls for all bilateral activities but one to be completed by the end of the third quarter of FY 95, with close-out actions taking place over the last six months of calendar year 1995. If one activity would extend close out to the second quarter of FY 96. This timing is not in accord with the strong desire that close-out Missions be closed, projects terminated, no FSNs remain, and the lights be turned out by end of the fiscal year close-out date. In order to achieve this goal, it was agreed by members of the Issues Committee that activity close out dates be reviewed. The USAID Representative agreed to do this and discuss plans for closure the usaid office by the end of FY 95 at the DAEC meeting. In any case, the activities below were already planned to go beyond the end of FY 1995 and need to be examined as possible exceptions to the guidance¹.

- o **IESC:** The purpose of the USAID assistance to IESC activities in Argentine is to develop a self-sustaining program to promote Argentine-U.S. joint ventures. To cut this program even shorter than proposed in the Action Plan would seriously jeopardize its chance for success. Since IESC is active elsewhere in the region, couldn't this activity be managed on a regional basis OR BY PRE?
- o **WID: Women's Strategic Resources:** This centrally funded activity is to support Latin American NGOs' participation in a major United Nations World Conference on Women in September 1995. The USAID support for this activity is a component of a worldwide OECD/DAC WID Expert Group Initiative in which several donors have pledged similar support in other areas. No USAID/Argentina management is expected to be needed. All funding will be expended by the end of FY 95 given the conference date, but G/R&D/WID would like flexibility in determining whether follow-up activities are critical in FY 96. Should USAID strictly adhere to the guidance not to fund activities beyond FY 94 (which would effectively prevent any contribution to activities in FY 96), or is some flexibility warranted given the US Government commitment?

¹The National Chamber of Commerce activity in Uruguay is incorrectly shown in the Action Plan as ending in FY 96. It is actually scheduled to end in early FY 95.

- o **ENR Agreement with NIH and NSF:** Although this agreement was not included in the Action Plan, Argentina is programmed as a participant in this activity. The agreement, which was signed in FY 93 1993, evaluates the potential bio-diversity gains from the Argentine (and several other Latin American) ecosystems (medical prospecting.) The activity is completely managed by NIH. Since this agreement supports a research activity which cannot be completely successful without Argentine participation (unique ecosystem), could USAID support be justified on research grounds?
 - o **Population Activities:** G/R&D/POP advises that they plan to include approximately \$270,000 in the CP for population activities in Uruguay in FY 95. This would appear to be inconsistent with the directive not to obligate any funds for activities in Uruguay after FY 94. Should this activity be exempted from the directive or terminated?
 - o **The Peace Corps/SPA Pprogram,** which is schedule to continue beyond the Action Plan period, is categorically exempted from the close-out requirement.
 - o **ESF Local Currency** is shown in the Action Plan as remaining to be spent in FY 96. Per the discussion of issues resolved in Section II above, steps will be taken to ensure that these funds will be fully disbursed prior to program close-out.
2. **Issue:** Are there some current or potential programs in Argentina and Uruguay that would meet the criteria in PPC's draft guidance on continuing activities in close-out countries because they are "truly regional" in nature or are of "highest priority" to USAID and the Department of State? If so, how should they be programmed and managed? What role will G play?

Discussion: The two areas which may meet the criteria for categorical exception in the draft PPC guidance would be "pre-NAFTA" assistance and cooperation with Uruguayan and Argentine NGOs in Administration of Justice and democratic initiatives. Such activities would be undertaken only as part of regional activities.

Argentina is a good candidate for a future trade agreement with the U.S. and President Clinton has repeatedly affirmed his commitment to the expansion of free trade in the western hemisphere. The new LAC Bureau strategy provides for assistance to countries like Argentina in meeting appropriate trade, labor and environmental standards and fully participate in the trade expansion process. This could be accomplished through TA/training assistance from AID/W regional projects managed by LAC Bureau and working with Argentine and Uruguayan ministries that participate in the U.S. trade and investment council process as well as private sector institutions that influence trade policy and lobby for legal and regulatory reforms.

In the AOJ/DI area, there are strong and experienced NGOs in both Uruguay and Argentina which have the potential not just to further the prospects for consolidation of democratic advances (Argentina) but also to share their knowledge and experiences with other nations in the hemisphere. This is also five of justice sector officials in Uruguay. Such "horizontal" assistance could be facilitated by providing for participation of these entities in lac regional project and would respond to the foreign policy objective of promoting and solidifying democratic institutions and systems throughout the hemisphere.

3. Issue: The DPP budget figures in Section I.D above show a shortfall from the Action Plan request level for AOJ/DI activities of \$300,000 for Argentina and \$216,000 for Argentina. Since FY 94 is the last year of funding for both programs, should priority be given by DPP to fully funding the AP request level? If not, what should be cut?
4. Point of Discussion: Now that USAID is leaving Uruguay and Argentina, what role should USAID/Washington play in promoting assistance by other donors, particularly the IDB and World Bank, in areas in which USAID has been active? Heretofore liaison with the IDB and World Bank in Uruguay and Argentina has been handled primarily by the USAID Representative. Without an in-country presence, USAID's liaison activities must necessarily be carried out in Washington. How should that role be played, and who should play it?

IV. Attachments:

- A. Financial Summary Table (FY 93 SAR)
- B. Activity Timeline (Table 3 from AP)

DRPUB\SAM\URU\URARGAP6.MEM

To: Gordon Bertolin@LAC.DR@AIDW
Cc: Eric Zallman@LAC.DR@AIDW, Garland Standrod@R+D.PO@AIDW
Bcc:
From: Michael A. Rogal@FA.MCS@AIDW
Subject: Uruguay/Argentine Close Out Plan
Date: Monday, February 7, 1994 10:13:54 EST
Attach:
Certify: N
Forwarded by:

Gordon:

Section 2, 1st para; should read: "was approved by the Bureau." It has not been approved by the Mission Close out Coordinator.

Same Section, Last para; State 360556 provided guidance that Missions were to include all Centrally funded activities in the close out plan based on cables sent by Central Bureaus. In addition AID/W General Notice issued 1/21/94 by AA/M provided that proposed plans reflect the views and input of the Central Bureaus. If the Bureau and G (or BHR) cannot agree then it will be decided at the MCC review.

APPR: MS ()
DRAFT: GB ()
CLEAR: NP ()
CLEAR: EZ ()
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CLEAR: MR ()
CLEAR: BB ()

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AID/LAC/DR/SA:GBERTOLIN:GB:URU\URARGAP.CAB
02/03/94 647-5252
AID/LAC/AA:MSCHNEIDER

AID/LAC/DAA:NPARKER
AID/LAC/DPP:JSTEPANEK
AID/LAC/SAM:BBLACKMAN
AID/LAC/TT:RSTRYKER

AID/LAC/DR:EZALLMAN
AID/M/MCS:MROGAL
AID/PPC/POL/PAR:JWEBER
AID/LAC/DI/KSCHOFIELD

ROUTINE MONTEVIDEO, BUENOS AIRES

AIDAC

E.O. 12356: N/A

TAGS:

SUBJECT: FY 95-96 CLOSEOUT/ACTION PLAN FOR URUGUAY AND ARGENTINA

1. THE FY 95-96 CLOSEOUT/ACTION PLAN FOR URUGUAY AND ARGENTINA WAS REVIEWED ON FEBRUARY 3, 1994. THE DAEC WAS CHAIRED BY AA/LAC MARK SCHNEIDER. IN ATTENDANCE WERE REPRESENTATIVES FROM M, G, PPC, GC/LAC, AND ALL APPROPRIATE LAC OFFICES. THE AID REPRESENTATIVE, ROBERT ASSELIN, PRESENTED THE ACTION PLAN.

2. THE CLOSEOUT/ACTION PLAN WAS APPROVED, SUBJECT TO THE MODIFICATIONS NOTED BELOW.

ALL BILATERAL PROGRAM ACTIVITIES MUST BE TERMINATED AND THE USAID OFFICES IN MONTEVIDEO AND BUENOS AIRES CLOSED BY SEPTEMBER 30, 1995. THE ONLY POSSIBLE EXCEPTION IS THE PEACE CORPS SPA PROGRAM WHICH MAY QUALIFY FOR A CATEGORICAL EXCEPTION AS PROVIDED IN THE DRAFT PPC CLOSEOUT GUIDANCE. IN ALL BUT ONE CASE THIS WILL REQUIRE INDIVIDUAL ACTIVITY TERMINATION NO LATER THAN JUNE 30, 1995. ALL USAID OE-FUNDED STAFF WILL BE OFF THE ROLLS BY SEPTEMBER 30, 1995. REQUIRING SPECIAL ATTENTION WILL BE THE IESC/BDS PROGRAM (PREVIOUSLY SCHEDULED FOR TERMINATION IN THE SECOND QUARTER OF FY 96) AND THE LOCAL CURRENCY

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ACCOUNT IN URUGUAY WHICH CURRENTLY HAS A BALANCE OF THE EQUIVALENT OF APPROXIMATELY \$5 MILLION. USAID/ARGENTINA SUPPORT FOR THE IESC PROGRAM WILL BE TERMINATED NO LATER THAN SEPTEMBER 30, 1995. THE USAID REPRESENTATIVE AGREED TO TRY TO ARRANGE FOR COMPLETE DISBURSEMENT OF THE LOCAL CURRENCY ACCOUNT BEFORE THE CURRENT GOVERNMENT LEAVES OFFICE AT THE END OF CY 1994. IF HE IS UNABLE TO DO SO, HE WILL ADVISE USAID/WASHINGTON THAT IT MAY NEED TO MAKE AN EXCEPTION TO THE LOCAL CURRENCY MANAGEMENT POLICY IN ORDER TO HAVE FUNDS DISBURSED BY DECEMBER 1994.

PROGRAMS SUPPORTED ^{by} THE G BUREAU ARE SUBJECT TO THE SAME TERMINATION DATE. THE REVIEW FOUND THAT THERE MAY BE SOME SUCH ACTIVITIES. TO THE EXTENT ONGOING G BUREAU PROGRAMS WOULD EXTEND BEYOND THE SEPTEMBER 30, 1995 CLOSEOUT DATE, SPECIFIC EXCEPTIONS WILL NEED TO BE REQUESTED AND JUSTIFIED, M WILL RESOLVE THESE CASES DIRECTLY WITH G.

3. THE POTENTIALLY VALUABLE ROLE URUGUAYAN AND ARGENTINE ORGANIZATIONS CAN PLAY IN CIVIC PARTICIPATION, ADMINISTRATION OF JUSTICE AND NAFTA-COMPATIBILITY ACTIVITIES ON A REGIONAL BASIS WAS FULLY ENDORSED BY AA/LAC. THEIR PARTICIPATION IN REGIONAL PROGRAMS IN THESE AREAS WAS SUPPORTED BY AA/LAC ON THE GROUNDS THAT DEMOCRACY AND NAFTA COMPATIBILITY ARE VITAL FOREIGN POLICY CONCERNS OF THE UNITED STATES. IN PARTICULAR AA/LAC STRESSED THE STRONG U.S. FOREIGN POLICY INTEREST IN CONSOLIDATING DEMOCRATIC DEVELOPMENT IN THE SOUTHERN CONE. LAC/TI AND LAC/DI ARE CURRENTLY PREPARING REGIONAL ASSISTANCE PROGRAMS WHICH WILL INVOLVE THE PARTICIPATION OF URUGUAY AND ARGENTINE ORGANIZATIONS.

4. SUBJECT TO SOME MODEST MODIFICATIONS RESULTING FROM EARLIER THAN PLANNED TERMINATION OF SOME ACTIVITIES, THE CLOSEOUT/ACTION PLAN BUDGET REQUESTS OF \$1.525 MILLION FOR ARGENTINA AND \$1,001 FOR URUGUAY WERE APPROVED. LAC WILL FULLY FUND PLANNED ACTIVITIES THROUGH THE NEW ACTIVITY TERMINATION DATES WITH FY 94 FUNDING. FINAL BUDGET LEVELS WILL BE PROVIDED WHEN THE USAID REPRESENTATIVE HAS REVISED THE REQUEST IN LIGHT OF THE NEW TERMINATION DATES.

5. THE OPERATIONAL CLOSE-OUT PLAN IS TO BE SUBMITTED TO USAID/W BY JUNE 1, 1994.

6. ADDITIONAL ISSUES WERE RESOLVED AT THE STRATEGIC OBJECTIVES AND ISSUES MEETINGS. THESE ARE SUMMARIZED IN FEBRUARY 3, 1994 ACTION PLAN INFORMATION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR/LAC WHICH IS ON FILE IN USAID AND LAC/DR. YY

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ADDITIONAL CLEARANCE:

AID/LAC/DPP:RMEEHAN _____
AID/GC/LAC:RMEIGHAN _____

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APPR: MS ()

DRAFT: GB ()

CLEAR: NP ()

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CLEAR: EZ ()

CLEAR: JS ()

AID/LAC/DR/SA:GBERTOLIN:GB:URU\URARGAP4.CAB
02/03/94 647-5252

CLEAR: MR ()

AID/LAC/AA:MSCHNEIDER

CLEAR: DG ()

AID/LAC/DAA:NPARKER

AID/LAC/DR:EZALLMAN

AID/LAC/DPP:JSTEPANEK

AID/M/MCS:MROGAL

AID/LAC/SAM:BBLACKMAN (DRAFT)

AID/PPC/POL/od:tbrown

AID/G/R&D/POP:DGILLESPIE(draft)

AID/LAC/DI/KSCHOFIELD (DRAFT)

ROUTINE MONTEVIDEO, BUENOS AIRES

AIDAC

E.O. 12356: N/A

TAGS:

SUBJECT: FY 95-96 CLOSEOUT/ACTION PLAN FOR URUGUAY AND ARGENTINA

1. THE FY 95-96 CLOSEOUT/ACTION PLAN FOR URUGUAY AND ARGENTINA WAS REVIEWED ON FEBRUARY 3, 1994. THE DAEC WAS CHAIRED BY AA/LAC MARK SCHNEIDER. IN ATTENDANCE WERE REPRESENTATIVES FROM M, G, PPC, GC/LAC, AND ALL APPROPRIATE LAC OFFICES. THE AID REPRESENTATIVE, ROBERT ASSELIN, PRESENTED THE ACTION PLAN.

2. THE CLOSEOUT/ACTION PLAN WAS APPROVED BY THE BUREAU, SUBJECT TO THE MODIFICATIONS NOTED BELOW.

ALL BILATERAL PROGRAM ACTIVITIES MUST BE TERMINATED AND THE USAID OFFICES IN MONTEVIDEO AND BUENOS AIRES CLOSED BY SEPTEMBER 30, 1995. THE ONLY POSSIBLE EXCEPTIONS ARE THE PEACE CORPS SPA PROGRAM, WHICH QUALIFIES FOR A CATEGORICAL EXCEPTION AS PROVIDED IN THE DRAFT PPC CLOSEOUT GUIDANCE, AND RESEARCH ACTIVITIES WHICH MAY BE APPROVED BY THE AGENCY RESEARCH COUNCIL. IN ALL BUT ONE CASE THIS WILL REQUIRE INDIVIDUAL ACTIVITY TERMINATION NO LATER THAN JUNE 30, 1995. ALL USAID OE-FUNDED STAFF WILL BE OFF THE ROLLS BY SEPTEMBER 30, 1995.

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3. ISSUES RESOLVED DURING THE STRATEGIC OBJECTIVES AND ISSUES MEETINGS ARE SUMMARIZED IN PARAS 3.A-3.D BELOW:

A. PROGRAM EVALUATION: CONCERN WAS EXPRESSED THAT THE PLANNED TIMING FOR EVALUATION OF THE URUGUAY AND ARGENTINA PROGRAMS WOULD NOT ALLOW FOR PARTICIPATION OF THE USAID REPRESENTATIVE AND WOULD BE TOO LATE TO PROVIDE USEFUL INFORMATION FOR POTENTIAL REGIONAL OR OTHER DONOR PROGRAMS. THE USAID REPRESENTATIVE AGREED TO MOVE THE EVALUATION FORWARD SO THAT IT WOULD BE COMPLETED PRIOR TO THE END OF THE INDIVIDUAL ACTIVITIES AND PRIOR TO HIS DEPARTURE.

B. SECTIONS 599/547: THE ISSUE WAS RAISED OF A POSSIBLE CONFLICT BETWEEN THE JOINT-VENTURE "MATCHMAKING" ACTIVITIES OF IESC SUPPORTED BY USAID IN ARGENTINA AND THE SECTION 599/547 PROHIBITION ON SUPPORT FOR INVESTMENT PROMOTION ACTIVITIES. THE USAID REPRESENTATIVE EXPLAINED THAT IESC HAS PROCEDURES IN PLACE IN ITS HOME OFFICE TO SCREEN OUT ANY ACTIVITIES WHICH MIGHT CONFLICT WITH THE LEGISLATION. THIS RESPONSE SATISFIED REVIEWERS.

C. LAC/TECH SUPPORT: PRIOR TO THE ISSUES MEETING, LAC/TECH ADVISED THAT, GIVEN THEIR OWN BUDGET CONSTRAINTS, THEY WOULD NOT BE ABLE TO PROVIDE ALL THE SUPPORT REQUESTED IN THE ACTION PLAN. THE USAID REPRESENTATIVE AGREED TO FUND TRAVEL FOR SOME OF THE LAC/TECH ADVISORS WHICH RESOLVED THE ISSUE.

D. PROGRAM AND OPERATING BUDGETS: IN THE ACTION PLAN THE USAID REPRESENTATIVE ASKED FOR FULL AND PROMPT FUNDING OF THE ACTION PLAN REQUEST IN ORDER TO BRING PROGRAM ACTIVITIES TO A RAPID, BUT ORDERLY CLOSE. NO FY 95 FUNDS WERE REQUESTED. ON THE QUESTION OF TIMING, LAC/DPP ADVISED THAT ONCE THIS CLOSE-OUT/ACTION PLAN IS APPROVED, FULL FUNDING OF THE APPROVED ACTIVITIES WILL BE "LOCKED IN" AND WILL BE IMMEDIATELY AVAILABLE TO THE MISSIONS. BUDGET LEVELS ARE DISCUSSED IN PARA 5 BELOW.

4. THE ISSUES CARRIED FORWARD FOR TO THE DAEC AND THEIR RESOLUTION ARE SUMMARIZED IN PARAS 4A AND 4B BELOW:

A. ISSUE NO. 1: THE ACTION PLAN DOES NOT PROVIDE FOR FULL CLOSURE OF THE USAID OFFICE BY THE END OF FY 95. WHAT STEPS ARE NEEDED TO BRING THE CLOSE-OUT PLAN INTO COMPLIANCE WITH THE REQUIREMENTS?

RESOLUTION: THE DAEC REVIEWED EACH OF THE ACTIVITIES WHICH HAD THE POTENTIAL TO EXTEND BEYOND THE SEPTEMBER 30, 1995, CLOSEOUT DATE WITH THE FOLLOWING CONCLUSIONS:

(I). IESC: IN THE ACTION PLAN, THE IESC/BDS PROGRAM IS SCHEDULED FOR TERMINATION IN THE SECOND QUARTER OF FY 96 AND PER THE ACTION PLAN REVIEW, USAID/ARGENTINA SUPPORT FOR THE IESC PROGRAM WILL BE TERMINATED NO LATER THAN SEPTEMBER 30, 1995.

(II) WID: WOMEN'S STRATEGIC RESOURCES: THIS CENTRALLY FUNDED ACTIVITY IS TO SUPPORT LATIN AMERICAN NGOS' PARTICIPATION IN A MAJOR UNITED NATIONS WORLD CONFERENCE ON WOMEN IN SEPTEMBER 1995. SUPPORT FOR THIS PROGRAM INTO FY 96 WAS ANTICIPATED IN THE "G" LIST OF NEEDED EXCEPTIONS AND WAS ALSO QUESTIONED BY REVIEWERS ON THE GROUNDS THAT ACTIVITIES OF PROJECT PARTICIPANTS MIGHT CONTINUE INTO FY 96, WHICH WOULD BE CONTRARY TO THE CLOSEOUT GUIDANCE. HOWEVER, G/R&D/WID CLARIFIED DURING THE REVIEW THAT NO ACTIVITIES WOULD BE SUPPORTED IN FY 96, WHICH RESOLVED THE ISSUE.

(III) ENR AGREEMENT WITH NIH AND NSF: THIS AGREEMENT, WHICH EVALUATES THE POTENTIAL BIO-DIVERSITY GAINS FROM THE ARGENTINE (AND SEVERAL OTHER LATIN AMERICAN) ECOSYSTEMS (MEDICAL PROSPECTING), WAS SIGNED IN FY 93 AND WOULD CONTINUE FOR FIVE YEARS. SINCE THIS AGREEMENT represents a high-profile USAID commitment, THE DECISION ON TERMINATION OF USAID ASSISTANCE BEYOND THE CLOSEOUT DATE is to be REFERRED TO THE AGENCY exceptions committee.

(IV) POPULATION ACTIVITIES: THE ISSUE OF POPULATION ACTIVITIES IN URUGUAY WAS RAISED WHEN G/R&D/POP ADVISED THAT THEY PLAN TO INCLUDE APPROXIMATELY DOLS 270,000 IN THE CP FOR POPULATION ACTIVITIES IN URUGUAY IN FY 95. G/R&D/POP SUBSEQUENTLY ADVISED THAT ALL PLANNED CONTRACEPTIVE SUPPLIES WOULD BE RECEIVED IN URUGUAY PRIOR TO THE MISSION CLOSEOUT DATE, WHICH CLOSED THE ISSUE.

(V) ESF LOCAL CURRENCY: THE LOCAL CURRENCY ACCOUNT FROM A 1988 ESF PROGRAM IN URUGUAY CURRENTLY HAS A BALANCE OF THE EQUIVALENT OF APPROXIMATELY DOLS 5 MILLION, A PORTION OF WHICH IS SHOWN IN THE ACTION PLAN AS REMAINING TO BE SPENT IN FY 96. THE USAID REPRESENTATIVE AGREED TO TRY TO ARRANGE FOR COMPLETE DISBURSEMENT OF THE LOCAL CURRENCY ACCOUNT in accordance with current guidelines BEFORE THE CURRENT GOVERNMENT LEAVES OFFICE AT THE END OF CY 1994. IF HE IS UNABLE TO DO SO, HE WILL ADVISE USAID/WASHINGTON THAT IT MAY NEED TO MAKE AN EXCEPTION TO THE LOCAL

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CURRENCY MANAGEMENT POLICY IN ORDER TO HAVE FUNDS
DISBURSED BY DECEMBER 1994.

4B: ISSUE NO. 2: ARE THERE SOME CURRENT OR POTENTIAL
PROGRAMS IN ARGENTINA AND URUGUAY THAT WOULD MEET THE
CRITERIA IN PPC'S DRAFT GUIDANCE ON CONTINUING ACTIVITIES
IN CLOSE-OUT COUNTRIES BECAUSE THEY ARE "TRULY REGIONAL"
IN NATURE OR ARE OF "HIGHEST PRIORITY" TO USAID AND THE
DEPARTMENT OF STATE?

RESOLUTION: THE POTENTIALLY VALUABLE ROLE URUGUAYAN AND
ARGENTINE ORGANIZATIONS CAN PLAY IN CIVIC PARTICIPATION,
ADMINISTRATION OF JUSTICE AND NAFTA-COMPATIBILITY
ACTIVITIES ON A REGIONAL BASIS WAS FULLY ENDORSED BY
AA/LAC. THEIR PARTICIPATION IN REGIONAL PROGRAMS IN THESE
AREAS WAS SUPPORTED BY AA/LAC ON THE GROUNDS THAT
DEMOCRACY AND NAFTA COMPATIBILITY ARE VITAL FOREIGN POLICY
CONCERNS OF THE UNITED STATES. IN PARTICULAR AA/LAC
STRESSED THE STRONG U.S. FOREIGN POLICY INTEREST IN
CONSOLIDATING DEMOCRATIC DEVELOPMENT IN THE SOUTHERN CONE.
LAC/TI AND LAC/DI, IN CONSULTATION WITH THE USAID
REPRESENTATIVE, WILL PREPARE REGIONAL ASSISTANCE PROGRAMS
WHICH WILL INVOLVE THE PARTICIPATION OF URUGUAYAN AND
ARGENTINE ORGANIZATIONS. SUCH PROGRAMS WOULD BE MANAGED
FROM USAID/W OR FROM A non-closeout country IN SOUTH
AMERICA.

5. SUBJECT TO SOME MODEST MODIFICATIONS RESULTING FROM
EARLIER THAN PLANNED TERMINATION OF SOME ACTIVITIES, THE
CLOSEOUT/ACTION PLAN BUDGET REQUESTS OF DOLS 1.525 MILLION
FOR ARGENTINA AND DOLS 1,001 FOR URUGUAY WERE APPROVED.
LAC WILL FULLY FUND PLANNED ACTIVITIES THROUGH THE NEW
ACTIVITY TERMINATION DATES WITH FY 94 FUNDING. FINAL
BUDGET LEVELS WILL BE PROVIDED WHEN THE USAID
REPRESENTATIVE HAS REVISED THE REQUEST IN LIGHT OF THE NEW
TERMINATION DATES.

6. THE OPERATIONAL CLOSE-OUT PLAN IS TO BE SUBMITTED TO
USAID/W BY JUNE 1, 1994. YY

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ADDITIONAL CLEARANCE:

AID/LAC/DPP:RMEEHAN _____
AID/GC/LAC:RMEIGHAN (DRAFT)
AID/LAC/TT:RSTRYKER (DRAFT) YY

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APPR: MS ()

DRAFT: GB ()

CLEAR: NP ()

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CLEAR: EZ ()

CLEAR: JS ()

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CLEAR: MR ()

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AID/LAC/AA:MSCHNEIDER

CLEAR: BB ()

AID/LAC/DAA:NPARKER

AID/LAC/DR:EZALLMAN

AID/LAC/DPP:JSTEPANEK

AID/M/MCS:MROGAL

AID/LAC/SAM:BBLACKMAN

AID/PPC/POL/PAR:JWEBER

AID/LAC/TI:RSTRYKER

AID/LAC/DI/KSCHOFIELD

ROUTINE MONTEVIDEO, BUENOS AIRES

AIDAC

E.O. 12356: N/A

TAGS:

SUBJECT: FY 95-96 CLOSEOUT/ACTION PLAN FOR URUGUAY AND ARGENTINA

1. THE FY 95-96 CLOSEOUT/ACTION PLAN FOR URUGUAY AND ARGENTINA WAS REVIEWED ON FEBRUARY 3, 1994. THE DAEC WAS CHAIRED BY AA/LAC MARK SCHNEIDER. IN ATTENDANCE WERE REPRESENTATIVES FROM M, G, PPC, GC/LAC, AND ALL APPROPRIATE LAC OFFICES. THE AID REPRESENTATIVE, ROBERT ASSELIN, PRESENTED THE ACTION PLAN.

2. THE CLOSEOUT/ACTION PLAN WAS APPROVED, SUBJECT TO THE MODIFICATIONS NOTED BELOW.

ALL BILATERAL PROGRAM ACTIVITIES MUST BE TERMINATED AND THE USAID OFFICES IN MONTEVIDEO AND BUENOS AIRES CLOSED BY SEPTEMBER 30, 1995. THE ONLY POSSIBLE EXCEPTION IS THE PEACE CORPS SPA PROGRAM WHICH MAY QUALIFY FOR A CATEGORICAL EXCEPTION AS PROVIDED IN THE DRAFT PPC CLOSEOUT GUIDANCE. IN ALL BUT ONE CASE THIS WILL REQUIRE INDIVIDUAL ACTIVITY TERMINATION NO LATER THAN JUNE 30, 1995. ALL USAID OE-FUNDED STAFF WILL BE OFF THE ROLLS BY SEPTEMBER 30, 1995. REQUIRING SPECIAL ATTENTION WILL BE THE IESC/BDS PROGRAM (PREVIOUSLY SCHEDULED FOR TERMINATION IN THE SECOND QUARTER OF FY 96) AND THE LOCAL CURRENCY

UNCLASSIFIED

ACCOUNT IN URUGUAY WHICH CURRENTLY HAS A BALANCE OF THE EQUIVALENT OF APPROXIMATELY \$5 MILLION. USAID/ARGENTINA SUPPORT FOR THE IESC PROGRAM WILL BE TERMINATED NO LATER THAN SEPTEMBER 30, 1995. THE USAID REPRESENTATIVE AGREED TO TRY TO ARRANGE FOR COMPLETE DISBURSEMENT OF THE LOCAL CURRENCY ACCOUNT BEFORE THE CURRENT GOVERNMENT LEAVES OFFICE AT THE END OF CY 1994. IF HE IS UNABLE TO DO SO, HE WILL ADVISE USAID/WASHINGTON THAT IT MAY NEED TO MAKE AN EXCEPTION TO THE LOCAL CURRENCY MANAGEMENT POLICY IN ORDER TO HAVE FUNDS DISBURSED BY DECEMBER 1994.

PROGRAM SUPPORTED ^{by} THE G BUREAU ARE SUBJECT TO THE SAME TERMINATION DATE. THE REVIEW FOUND THAT THERE MAY BE SOME SUCH ACTIVITIES. TO THE EXTENT ONGOING G BUREAU PROGRAMS WOULD EXTEND BEYOND THE SEPTEMBER 30, 1995 CLOSEOUT DATE, SPECIFIC EXCEPTIONS WILL NEED TO BE REQUESTED AND JUSTIFIED. [M WILL RESOLVE THESE CASES DIRECTLY WITH G.]

3. THE POTENTIALLY VALUABLE ROLE URUGUAYAN AND ARGENTINE ORGANIZATIONS CAN PLAY IN CIVIC PARTICIPATION, ADMINISTRATION OF JUSTICE AND NAFTA-COMPATIBILITY ACTIVITIES ON A REGIONAL BASIS WAS FULLY ENDORSED BY AA/LAC. THEIR PARTICIPATION IN REGIONAL PROGRAMS IN THESE AREAS WAS SUPPORTED BY AA/LAC ON THE GROUNDS THAT DEMOCRACY AND NAFTA COMPATIBILITY ARE VITAL FOREIGN POLICY CONCERNS OF THE UNITED STATES. IN PARTICULAR AA/LAC STRESSED THE STRONG U.S. FOREIGN POLICY INTEREST IN CONSOLIDATING DEMOCRATIC DEVELOPMENT IN THE SOUTHERN CONE. LAC/TI AND LAC/DI ARE CURRENTLY PREPARING REGIONAL ASSISTANCE PROGRAMS WHICH WILL INVOLVE THE PARTICIPATION OF URUGUAY AND ARGENTINE ORGANIZATIONS.

4. SUBJECT TO SOME MODEST MODIFICATIONS RESULTING FROM EARLIER THAN PLANNED TERMINATION OF SOME ACTIVITIES, THE CLOSEOUT/ACTION PLAN BUDGET REQUESTS OF \$1.525 MILLION FOR ARGENTINA AND \$1,001 FOR URUGUAY WERE APPROVED. LAC WILL FULLY FUND PLANNED ACTIVITIES THROUGH THE NEW ACTIVITY TERMINATION DATES WITH FY 94 FUNDING. FINAL BUDGET LEVELS WILL BE PROVIDED WHEN THE USAID REPRESENTATIVE HAS REVISED THE REQUEST IN LIGHT OF THE NEW TERMINATION DATES.

5. THE OPERATIONAL CLOSE-OUT PLAN IS TO BE SUBMITTED TO USAID/W BY JUNE 1, 1994.

6. ADDITIONAL ISSUES WERE RESOLVED AT THE STRATEGIC OBJECTIVES AND ISSUES MEETINGS. THESE ARE SUMMARIZED IN FEBRUARY 3, 1994 ACTION PLAN INFORMATION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR/LAC WHICH IS ON FILE IN USAID AND LAC/DR. YY

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ADDITIONAL CLEARANCE:

AID/LAC/DPP:RMEEHAN _____
AID/GC/LAC:RMEIGHAN (draft)

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To: George Hill@POL.PAR@AIDW, Michael Morfit@POL.SP@AIDW
Edward Saiers@POL.D@AIDW, John Koehring@FA.MCS@AIDW
Richard Nygard@FA.B@AIDW
Julio Schlotthauer@POL.PAR@AIDW
Mike Rugh@POL.PAR@AIDW, Larry A. Garber@POL.SP@AIDW

Cc:
Bcc:
From: Janice Weber@POL.PAR@AIDW
Subject: Argentina/Uruguay Action Plan
Date: Thursday, January 27, 1994 17:47:48 EST
Attach: U:\polpub\docs\arguru.iss
Certify: N
Forwarded by:

Attached is the issues paper for subject Action Plan/Close-out Plan Review. It is a bit thin since other than those areas mentioned, the bureau plans to terminate all programs before the end of FY 1995, as per their scheduled close-out. However, it does appear that they may have gotten the date wrong

- or misunderstood that the date means finito, out.

The mission plans to do an evaluation of the entire program from 1986 when we reopened until now, a very useful effort, I believe.

I have not forwarded these as yet to the bureau, but recommend that PPC hold strong on closing out the projects mentioned in my issues paper - they can hardly be termed of major significance.

January 27, 1994

MEMORANDUM

TO: LAC/DR/SA, Mr. Gordon Bertolin

FROM: PPC/POL/PAR, Janice M. Weber

SUBJECT: Issues on Argentina and Uruguay Action/Close-out Plans

*lights on
Janice
No 96 funds*

Issues:

1. Issue: The Action Plans do not reflect the agreed upon close-out date of FY 1995.

Discussion: No Mission activities should be scheduled following the FY 1995 close-out date. That means the Mission is closed, projects terminated, no FSNs remain, and the lights are turned out.

2. Issue: No FY 1996 funding for OE or Program should be considered for the bilateral programs.

Discussion: The Uruguay Mission needs to reschedule its activities so that the National Chamber of Commerce and ESF LC Program activities in Uruguay terminate by the end of FY 1995. The IESC BDS Program and Women's Strategic Resources in Argentina must also be accelerated in order to terminate by the end of FY 1995.

3. Issue: Regional/central funds must be justified according to established criteria.

Discussion: Regional/central funds destined to Uruguay for such activities as improving competitiveness of Uruguayan fruit and vegetable producers to link up with U.S. producers, the Catholic U. project and the IESC project do not meet the criteria established for continuation of programs and should be terminated at the close-out of the mission. These activities cannot be deemed to have "demonstrated national or global level impact or food security," per the cable on mission close-outs.

by the mission once the programmatic close-out plan is approved.

D. Program Budget Requirements

Actual and Proposed Assistance Levels: Argentina

<u>Source</u>	Actual			OYB		CP		Action Plan	
	FY 93 (1)	FY 94 (1)	FY 95	FY94	FY95	FY96			
ITT ¹	625	375	0	375	0	0			
AOJ/DI ²	1,000	850	0	1,150	0	0			
TOTAL	1,625	1,225	0	1,525	0	0			

Actual and Proposed Assistance Levels: Uruguay

<u>Source</u>	Actual			OYB		CP		Action Plan	
	FY 93 (1)	FY 94 (1)	FY 95	FY94	FY95	FY96			
ITT	965	535	0	535	0	0			
AOJ/DI	190	250	0	466	0	0			
TOTAL	1,155	785	0	1,001	0	0			

II. Issues Meeting: Issues resolved during the Issues meeting are summarized below.

¹Inter-country Technology Transfer-- The primary DA funding source for MDC programs

²ESF-funded

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Program Evaluation: Concern was expressed that the planned timing for evaluation of the Uruguay and Argentina programs would not allow for participation of the USAID Representative and would be too late to provide useful information for potential regional or other donor programs. The USAID Representative agreed to move the evaluation forward so that it would be completed prior to the end of the individual activities and prior to his departure.

Sections 599/547: The issue was raised of a possible conflict between the joint-venture "matchmaking" activities of IESC supported by USAID in Argentina and the Section 599/547 prohibition on support for investment promotion activities. The USAID representative explained that IESC has procedures in place in its home office to screen out any activities which might conflict with the legislation. The chairman of the Issues Meeting felt that this response probably responded adequately to the concern, but asked that the USAID Representative review these provisions with POL/PAR to make sure the program is in full compliance with Section 599/547.

Local Currency Account: At the present rate of disbursement, the local currency available from a 1988 ESF program would not be fully liquidated until late FY 1996. The USAID Representative was asked if he and the GOU could find ways to accelerate these disbursements. He agreed to try to arrange for complete disbursement before the current government leaves office at the end of CY 1994. If he can do so this will resolve the issue. If not, he will advise USAID/Washington if USAID/W needs to make an exceptional decision to modify the local currency management policy in order to have funds disbursed by December 1994.

Program and Operating Budgets: In the Action Plan the USAID Representative asked for full and prompt funding of the Action Plan request in order to bring program activities to a rapid, but orderly close. No FY 95 funds were requested. LAC/DPP advised that once this Close-out/Action Plan is approved, full funding of the requested activities will be "locked in" and will be immediately available to the Missions. The lock-in levels will reflect any changes resulting from earlier than proposed termination (see Issue #3 below.) The funding shortfall currently at a maximum of \$516,000.

LAC/TECH Support: Prior to the Issues meeting, LAC/TECH advised that, given their own budget constraints, they would not be able to provide all the support requested in the Action Plan. The USAID Representative agreed to fund travel for some of the LAC/TECH advisors which resolved the issue.

III. Issues

1. **Issue:** The Action Plan does not provide for full closure of the aid office by the end of FY 95. What steps are needed to bring the Close-out Plan into compliance with the requirements? What exceptions might be made on the grounds of foreign policy or regional program needs?

Discussion: The current Action Plan calls for all bilateral activities but one to be completed by the end of the third quarter of FY 95, with close-out actions taking place over the last six months of calendar year 1995. If one activity would extend close out to the second quarter of FY 96. This timing is not in accord with the strong desire that close-out Missions be closed, projects terminated, no FSNs remain, and the lights be turned out by end of the fiscal year close-out date. In order to achieve this goal, it was agreed by members of the Issues Committee that activity close out dates be reviewed. The USAID Representative agreed to do this and discuss plans for closure the usaid office by the end of FY 95 at the DAEC meeting. In any case, the activities below were already planned to go beyond the end of FY 1995 and need to be examined as possible exceptions to the guidance¹.

- o **IESC:** The purpose of the USAID assistance to IESC activities in Argentine is to develop a self-sustaining program to promote Argentine-U.S. joint ventures. To cut this program even shorter than proposed in the Action Plan would seriously jeopardize its chance for success. Since IESC is active elsewhere in the region, couldn't this activity be managed on a regional basis OR BY PRE?
- o **WID: Women's Strategic Resources:** This centrally funded activity is to support Latin American NGOs' participation in a major United Nations World Conference on Women in September 1995. The USAID support for this activity is a component of a worldwide OECD/DAC WID Expert Group Initiative in which several donors have pledged similar support in other areas. No USAID/Argentina management is expected to be needed. All funding will be expended by the end of FY 95 given the conference date, but G/R&D/WID would like flexibility in determining whether follow-up activities are critical in FY 96. Should USAID strictly adhere to the guidance not to fund activities beyond FY 94 (which would effectively prevent any contribution to activities in FY 96), or is some flexibility warranted given the US Government commitment?

¹The National Chamber of Commerce activity in Uruguay is incorrectly shown in the Action Plan as ending in FY 96. It is actually scheduled to end in early FY 95.

- o **ENR Agreement with NIH and NSF:** Although this agreement was not included in the Action Plan, Argentina is programmed as a participant in this activity. The agreement, which was signed in FY 93 1993, evaluates the potential bio-diversity gains from the Argentine (and several other Latin American) ecosystems (medical prospecting.) The activity is completely managed by NIH. Since this is agreement supports a research activity which cannot be completely successful without Argentine participation (unique ecosystem), could USAID support be justified on research grounds?
 - o **Population Activities:** G/R&D/POP advises that they plan to include approximately \$270,000 in the CP for population activities in Uruguay in FY 95. This would appear to be inconsistent with the directive not to obligate any funds for activities in Uruguay after FY 94. Should this activity be exempted from the directive or terminated?
 - o **The Peace Corps/SPA Pprogram,** which is schedule to continue beyond the Action Plan period, is categorically exempted from the close-out requirement.
 - o **ESF Local Currency** is shown in the Action Plan as remaining to be spent in FY 96. Per the discussion of issues resolved in Section II above, steps will be taken to ensure that these funds will be fully disbursed prior to program close-out.
2. **Issue:** Are there some current or potential programs in Argentina and Uruguay that would meet the criteria in PPC's draft guidance on continuing activities in close-out countries because they are "truly regional" in nature or are of "highest priority" to USAID and the Department of State? If so, how should they be programmed and managed? What role will G play?

Discussion: The two areas which may meet the criteria for categorical exception in the draft PPC guidance would be "pre-NAFTA" assistance and cooperation with Uruguayan and Argentine NGOs in Administration of Justice and democratic initiatives. Such activities would be undertaken only as part of regional activities.

Argentina is a good candidate for a future trade agreement with the U.S. and President Clinton has repeatedly affirmed his commitment to the expansion of free trade in the western hemisphere. The new LAC Bureau strategy provides for assistance to countries like Argentina in meeting appropriate trade, labor and environmental standards and fully participate in the trade expansion process. This could be accomplished through TA/training assistance from AID/W regional projects managed by LAC Bureau and working with Argentine and Uruguayan ministries that participate in the U.S. trade and investment council process as well as private sector institutions that influence trade policy and lobby for legal and regulatory reforms.

In the AOJ/DI area, there are strong and experienced NGOs in both Uruguay and Argentina which have the potential not just to further the prospects for consolidation of democratic advances (Argentina) but also to share their knowledge and experiences with other nations in the hemisphere. This is also five of justice sector officials in Uruguay. Such "horizontal" assistance could be facilitated by providing for participation of these entities in lac regional project and would respond to the foreign policy objective of promoting and solidifying democratic institutions and systems throughout the hemisphere.

3. Issue: The DPP budget figures in Section I.D above show a shortfall from the Action Plan request level for AOJ/DI activities of \$300,000 for Argentina and \$216,000 for Argentina. Since FY 94 is the last year of funding for both programs, should priority be given by DPP to fully fundng the AP request level? If not, what should be cut?
4. Point of Discussion: Now that USAID is leaving Uruguay and Argentina, what role should USAID/Washington play in promoting assistance by other donors, particularly the IDB and World Bank, in areas in which USAID has been active? Heretofore liaison with the IDB and World Bank in Uruguay and Argentina has been handled primarily by the USAID Representative. Without an in-country presence, USAID's liaison activities must necessarily be carried out in Washington. How should that role be played, and who should play it?

IV. Attachments:

- A. Financial Summary Table (FY 93 SAR)
- B. Activity Timeline (Table 3 from AP)

DRPUB\SAM\URU\URARGAP6.MEM



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

JAN 21 1994

MEMORANDUM

TO: See Distribution (attached)
FROM: LAC/DR, Eric Zallman *ez*
SUBJECT: Review of Uruguay/Argentina Action Plan for FY 1995-1996

ISSUES DUE	Date Jan. 26	Time 12:00
STRATEGIC OBJECTIVE MEETING	Date Jan. 31	Time 10:30
ISSUES MEETING	Date Feb. 1	Time 10:00
DAEC REVIEW	Date Feb.3	Time 10:00

Attached for your review and comment is the combined Uruguay/Argentina Action Plan for FY 1995-1996. Additional copies may be obtained from LAC/DR/PSS, Room 2252 NS. Please provide all Action Plan issues to Gordon Bertolin, LAC/DR/SA, Room 2252 NS, Extension 7-5252, preferably by e-mail attachment, or in writing (see instructions below).

The Issues Meeting will be chaired by Eric Zallman, Director, LAC/DR, and the Action Plan (DAEC) Review will be chaired by Mark Schneider, AA/LAC. The Strategic Objective meeting is intended to be an informal exchange to discuss and clarify concerns relating to the strategic objectives. Note that all meetings will be held in the LAC Conference Room (2248 NS).

This Close-out/Action Plan review will provide an opportunity to discuss the Mission's plan for closing out the program and will focus on: (1) modified strategic objectives and what can reasonably be accomplished by the program completion date; and (2) management issues including OE, staffing and internal control.

Submission of issues is encouraged for inclusion in the Issues Paper and discussion at the Issues Meeting. To facilitate the preparation of the Issues Paper, use the following guidance:

1. The Issue should be stated in one or two sentences.
2. The issue statement should be followed by a discussion of no more than one paragraph which provides an adequate, but not overlong, background for understanding the issue.

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3. The issue and discussion should be framed in a way which will facilitate its resolution in the Issues Meeting without predetermining the conclusion.
4. Requests for information, clarifications or conclusions about a subject should be made directly to mission representatives at the Strategic Objectives meeting, rather than formulated as issues.

**USAID/Uruguay-Argentina
FY 1995-96 ACTION PLAN
Distribution List**

<u>OFFICE</u>	<u>AMOUNT</u>	<u>ROOM NO.</u>	<u>NAME OF PERSON</u>
AA/LAC	1	4529A NS	Mark Schneider
DAA/LAC	1	4529A NS	Norma Parker
DAA/LAC	1	4529A NS	Ramon Daubon
GC/LAC	1	3328 NS	Bob Meighan
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LPA/LEG/CL	1	2895 NS	Neil Levine
ARA/SC	1	5911 NS	Sandy Campbell
ARA/ECP	2	3234 NS	Leslie Wilson
INM/P	2	7811 NS	Daniel Strasser
STATE/HA	1	7802 NS	Kathryn Dalpino
M/POL/CDIE	2	209 SA 18	Margaret Pope
M/POL/PAR	2	3957 NS	Janice Weber
G/R&D/PO	6	709 SA-18	Tom Kellerman
G/PRE/DP	2	550 SA-2	Hank Merrill
FDC/FHA/FFP/DP	2	313 SA-8	Jaime Correa
LAC/DR	15	2248 NS	Zallman, Carduner, DR Tech Divs. (2-EHR, 2-HPN, 3-RD, 1-E), Finance Division (2), Bugg, Francis (2 for file)
RIG-Unit 2901	1		Tom Golla, RIG 2901, USAID Honduras
OMB	1	395-4595 (Phone#)	Mr. Ron Silberman Office of Management & Budget New Executive Office Building Room 8235 725 17th Street, N.W. Washington, D.C. 20503
Peace Corps	1	606-3337 (Phone#)	Mr. Victor Johnson Regional Director Peace Corps 1990 K Street, N.W. Washington, D.C. 20526
LAC/DR/PSS	BAL.	2252 NS	

D. Program Budget Requirements

Actual and Proposed Assistance Levels: Argentina

Source	Actual		OYB		Action Plan	
	FY 93 (1)	FY 94 (1)	FY 95	FY94	FY95	FY96
ITT ¹	625	375	0	375	0	0
AOJ/DI ²	1,000	850	0	1,150	0	0
TOTAL	1,625	1,225	0	1,525	0	0

Actual and Proposed Assistance Levels: Uruguay

Source	Actual		OYB		Action Plan	
	FY 93 (1)	FY 94 (1)	FY 95	FY94	FY95	FY96
ITT	950	535	0	535	0	0
AOJ/DI	190	250	0	466	0	0
TOTAL	1,140	785	0	1,001	0	0

II. Issues Meeting: (To be prepared following Issues Meeting)

¹Inter-country Technology Transfer-- The primary DA funding source for MDC programs

²ESF-funded

OVERALL PROGRAM PERFORMANCE

Strategic Objective I

IMPROVE THE EFFICIENCY OF THE AGRICULTURAL MARKETING SYSTEM

Policy Reforms:

- Reduce in country transportation costs due to illegal road barriers;
- Reduce tariff and tax burdens of agricultural sector;
- Reduce legal restrictions on private sector development.

What Have Accomplished:

- Road barriers down;
- Local export taxes declared illegal and being eliminated in practice;
- UDEAC negotiations reduced taxes on agricultural imports and trucks and spare parts;
- Business registration simplified;
- Private sector strategy and agenda established.

What Will Be Accomplished:

- Continued pressure to keep road barriers down;
- Elimination of all export taxes;
- Continued pressure on UDEAC reforms based upon effects of devaluation;
- Business investment code revised;
- Private sector strategy and agenda implemented.

Projects:

- Increase marketed quantities of selected agricultural commodities;
- Increase prices for selected marketed agricultural products;
- Increase private sector participation in agricultural marketing.

What Have Accomplished:

- Increased marketed quantities of vegetables over base year;
- Eliminated barriers to cereals transport thus increasing amount transported from region to region and sold;
- Increased lending to SMEs and to Micro-Enterprises.

What Will Be Accomplished:

- Continued increase in production of selected agricultural products in targeted areas;
- Increased private sector participation in domestic and export marketing system through lending;
- Increased prices for certain products, depending upon market forces and effect of devaluation.

Strategic Objective II

IMPROVE THE HEALTH STATUS OF CHADIAN INFANTS, CHILDREN, AND WOMEN OF CHILD BEARING AGE IN THE MOYEN CHARI, SALAMAT AND LOGONE ORIENTAL PREFECTURES.

To accomplish this the strategy targeted four health areas to address for the provision of better health services:

- Acute Respiratory Infections
- Diarrheal Disease
- Malaria
- Family Planning

Achievements to date have been slow due to redesign of the project which underlies this SO and due to a contract dispute. With a complete TA team in place since April 1993, progress has been rapid on the project front and thus will reflect on the achievement of this SO.

See Child Survival Project for further information.

NAME OF PROJECT: Chad Child Survival

PROJECT PURPOSE:

To strengthen the administration and delivery of an improved integrated package of Maternal/Child Health and Family Well Being (MCH/FWB) services in selected prefectures and to reinforce the capacity of the Ministry of Public Health to operate and maintain a national health information system.

PROJECT DESCRIPTION:

This project is designed to improve the health of women and children in the target zones, which have been identified as the Moyen Chari, the primary focus area, and later Salamat and the Doba district of the Logone Oriental. To improve delivery of health services in the designated areas, the project will undertake the following activities: rehabilitate a number of existing dispensaries; provide in-service training to the nurses and paramedics working in the various health facilities; establish a supervision system for the nurses; and equip the dispensaries with adequate medical equipment and medicine to meet the primary health needs of the population. Moreover, the Contractor's technical assistance team will provide the administrative staff of the District Headquarters with on the job training in the management of health delivery systems including personnel and finances, and better donor coordination. The project will introduce cost recovery systems in MOPH facilities in the Moyen Chari.

The project also provides assistance to the MOPH at the national level in two key areas. The first consists in the development of a national system for the collection of health data needed for decision making and support for the regular publication of a national yearbook of Health Statistics. The second area provides assistance to the GOC's family planning program. Integrated with the GOC's ministries, a Population Planning Unit has been established in the Ministry of Plan. The staff of the Population Unit are being trained to develop and utilize Rapid IV modes which will be used to demonstrate the ramifications of high rates of population growth on the different sectors of the country's economy.

PROJECT ACCOMPLISHMENTS TO DATE:

In the Moyen Chari:

- 10 MOPH health facilities renovated and equipped in the Moyen Chari;
- Training session in ARI taken place in December, based upon new module developed;
- Village health associations being formed;
- Cost recovery plans developed in certain villages;

At the National Level:

- Annual Year book produced regularly;
- First set of statistics on health facilities since 1988;
- Contraceptive law passed;
- Rapid begun training of population unit.

TO BE ACCOMPLISHED:

In the Moyen Chari:

- 8 additional health facilities renovated and equipped;
- Training sessions developed and taken place on diarrheal diseases and malaria;
- Cost recovery system in place;
- Supervisory system in place.

At the National Level:

- Continued production of Annual Year Book with shift to decentralized use of data;
- Continuation of RAPID program so that Population Unit can produce and demonstrate program.

NAME OF PROJECT: Agricultural Marketing and Technology Transfer (AMTT)

PROJECT PURPOSE:

To increase the capacity of the private sector to engage in agricultural marketing activities and to improve the public sector capacity to facilitate those activities.

PROJECT DESCRIPTION:

The Agricultural Marketing and Technology transfer (AMTT) project was authorized in April 1991, but not implemented until March 1992, as a four-year, \$10.8 million activity with a project assistance completion date (PACD) of December 31, 1995. The AMTT project focuses on the Mission's strategic objective of improving the efficiency of the agricultural marketing system in Chad. The project supports three components:

- 1) a national market information system (MIS) which will broadcast via radio agricultural prices on up to fifty markets by the end of the project, thus reducing the risk to producers and intermediaries who market crops;
- 2) an agribusiness support center (ASC) which will prepare business plans and feasibility studies, serve as a technology information center, and develop Chadian consulting capabilities, in order to reduce private investor's risks; and
- 3) conduct a series of market and policy analyses (MPA) on identified constraints or agricultural marketing in Chad to provide the GOC and USAID with additional information which will reduce their risk of investment in a possible phase 2 project.

PROJECT ACCOMPLISHMENTS TO DATE:

- MIS: weekly radio broadcasts on cereals and some vegetables have begun; a preliminary evaluation indicates that this information is being heavily used to make market decisions. The GOC unit providing this data has been trained and computers set up.

- ASC: the unit has been established and completed a market survey on existing agribusiness consulting firms; based on this survey the unit is bringing together consulting firms, private businesses and financial institutions for discussions; a data base available to the private sector has been established.

- MPA: Studies on TRANSPORT and WOMEN IN AGRICULTURAL MARKETING have been completed. A year long study on the cereals market is being finished. A series of round tables in N'Djamena and other cities has been held to discuss results of these studies and to disseminate policy reforms based on these and other activities of USAID. Work very influential on elimination of road barriers, reduction of business registration requirements, and dissemination on illegal internal taxes.

TO BE ACCOMPLISHED:

- MIS: Expansion of crops and markets reported upon. Further training of staff. Institutionalization of system.

- ASC: Development of use of agri-business consulting firms in Chad.

- MPA: National cereals conference in April/May 1994; reinforcement and monitoring of policies and changes undertaken; changes to Regime A of the Investment Code.

EVALUATION:

A mid-term evaluation is currently underway which is expected to help USAID/Chad modify substantially the MPA portion of this project and direct it more to support of the new reforms just put into place than to undertake new studies and reforms. The need to so modify the project was identified at the last PIR review and the terms of reference for the evaluation were so structured.

NAME OF PROJECT: Agricultural Trade Policy Reform Program
(ATPRP)

PROGRAM PURPOSE:

To increase the efficiency of the agricultural marketing system for non-industrial crops.

PROGRAM DESCRIPTION:

The program consists of a provision of budget support to the GOC (specifically, to the Ministry of Agriculture) linked to policy reforms designed to improve the efficiency of agricultural marketing. The objective of the reforms is to improve the policy environment for formal sector businesses leading to increased participation in agricultural marketing. It is intended that these businesses, with lower per unit marketing costs than informal sector businesses and with the ability to assure dependable supplies to large markets, will open up new markets for Chadian agricultural products.

PROGRAM ACCOMPLISHMENTS TO DATE:

- First tranche policy reforms met;
- First tranche almost completely disbursed;
- Second tranche policy reforms 80% met;
- Second tranche funds obligated.

TO BE ACCOMPLISHED;

- Revision of policy reforms in light of phase out and devaluation. This revision will specifically look at the UDEAC reforms to see what current progress is and implications on UDEAC of devaluation. It will also take into account current political situation to evaluate what can realistically be accomplished.
- Disbursement of tranche two.
- Meet revised policy reforms.
- Disbursement of additional tranches.
- Audit of program.

NAME OF PROJECT: Agricultural Trade Policy Reform Support
Project (ATPRP)

PROJECT PURPOSE:

To increase the efficiency of the agricultural marketing system for non-industrial crops.

PROJECT DESCRIPTION:

The ATPRP's project component is designed to strengthen private sector capacity to identify and develop export markets for Chad's agricultural products. The project is comprised of two sub-components, export marketing and impact monitoring. These activities will complement and reinforce the policy reforms conducted under the NPA.

The project will provide studies, long- and short-term technical assistance, and some commodities in support of policy reform efforts under the parallel non-project assistance (NPA) Agricultural Trade Policy Reform Support Program. The studies will afford both overview and in-depth understanding of agricultural marketing systems, products, constraints, and prospects in Chad and in export markets, particularly regional. The studies will provide analysis of the regulatory and tax structures constraining export development in Chad, and make recommendations for further reform. In addition, some studies will be conducted at regular intervals to monitor the impacts of policy reforms through the NPA.

Technical assistance will be provided to inform and encourage the private sector to expand trade in the formal sector and in larger markets. In addition, the Project will arrange and finance evaluations for the project and non-project assistance of the Program, and will provide financing for the PSC manager.

PROJECT ACCOMPLISHMENTS TO DATE:

Export Marketing Subcomponent:

- Overview Study of export trade in final stages;
- Export Regulations and Licensing Study done;
- Terms of Reference for Tax Study done;
- Round table on regulations held.

Impact Monitoring Subcomponent:

- Environmental Inventory done;
- Revised monitoring program being developed.

TO BE ACCOMPLISHED:

Export Marketing Subcomponent:

- Tax Study completed;
- Seminars and round tables on export marketing;
- Commodity Studies (3)
- Link up formal private sector with possible markets.

Impact Monitoring Subcomponent:

- Limited scope of impact monitoring done;
- Revised form of environmental monitoring.

EVALUATION:

Mainly carried out through impact monitoring. Will be an end of project evaluation.

NAME OF PROJECT: PVO Development Initiatives

PURPOSE OF PROJECT:

To improve agricultural marketing, increase small-farmer productivity, improve job skills through training and develop private businesses having demonstration and institutional development effects. (revised 1989)

PROJECT DESCRIPTION:

Ouaddai Economic Strengthening Initiative (Africare)

The project is designed with three components: 1) market information, (2) pilot projects, and (3) environmental monitoring and protection. The market information component provides producers with timely price information on onions, garlic and dried tomatoes for Abeche, N'Djamena and key regional markets. The pilot project component field tests a number of post harvest technologies aimed at increasing the net revenue received by farmers for their produce. These pilot activities include onion storage, dried tomato storage, powdered tomato milling and peanut oil processing. The environmental component involves the monitoring of the environmental impacts related to the improved wells and the three water diversion structures built under two previous projects, the establishment of live fences to protect the wells and structures, the training of farmer groups in the maintenance of these structures.

Private Enterprise Promotion (VITA)

The project provides both urban and rural supervised credit to medium, small and micro-enterprises, accompanied by a sufficient level of management and technical assistance, as well as follow-up advisory services, to ensure constructive use and repayment, of credit. Sustainability of this form of supervised credit will be sought through the creation of a permanent, Chadian non-governmental development credit institution, and by the transfer of VITA's personnel and assets, including its loan portfolio, to that institution.

Moyen Chari Agricultural Development and Farmer Training (ORT)

The project in Sarh consists of four main activities: (1) the development of sustainable private-sector input markets to serve target farmers; (2) the development of profitable marketing techniques and strategies for farmers' agricultural produce; (3) the identification and testing of improved water-lifting and irrigation technologies; and (4) testing and demonstration of sustainable agricultural technologies. In addition, the project will collect baseline and monitoring

data and monitor environmental impact.

PROJECT ACCOMPLISHMENTS TO DATE:

Africare

- Functioning marketing information system;
- Storage techniques adopted by many families and storage units constructed;
- Tomato-Powdering Mill operating and run by women.
- Five women's groups collaborating on production of peanut oil;
- Erosion mitigation work on certain water sites done;
- Transport costs of dried tomatoes reduced;
- Live fences established at water diversion structures.

VITA

- Disbursement of loans both to micro-enterprises and SMEs; to date they number 2,502.
- Training of all borrowers in management and accounting;
- Opened a branch in Moundou;
- Establishment of a Chadian Advisory Committee;
- Chadian Director;
- Creation of 2000 jobs;
- One co-financed loan.

ORT

- Identified improved water-lifting techniques and installed them;
- Improved farmer extension;
- Contacted local merchants re marketing;
- Live fences planted;
- Training sessions were conducted.

Note that this is a very new effort due to the move from the Kanem region to the South.

TO BE ACCOMPLISHED:

All of these projects are due to end in the summer of 1994. VITA has requested a no cost extension until December 1994, when its fund run out. The extension has been granted until September, pending phase-out discussions. Africare has been granted an extension until September 1994 at no cost. ORT requested a cost extension until September 1994 and that was turned down.

EVALUATION:

A mid-term evaluation of the project and sub-projects rated this project and its activities highly. A final evaluation will be held in June.

NAME OF PROJECT: Institutional Reform and the Informal Sector
(IRIS)

PROJECT PURPOSE:

To support GOC promotion of the private sector by providing financial and technical assistance, identifying policy changes and designing follow-on institution building for implementation of strategies and programs adopted at the multi-donors private sector roundtable.

PROJECT DESCRIPTION:

This project establishes a two-year follow-on activity for promotion of the private sector in Chad by providing a private sector long-term advisor resident in Chad. In addition it has the purpose of clarifying and improving relationships between the GOC and the private sector.

The project will encourage the GOC to establish a climate for enterprise that includes a legal and contractual framework that protect private property and contract rights, facilitates private commercial transactions rather than burdening them, and allows competitive market forces to prevail.

The objectives include:

1. Placing a resident advisor in Chad to assist the Goc and USAID in the further promotion of the private sector;
2. Improving and creating favorable institutional, legal regulatory and judicial climate for development of the private sector in Chad;
3. Working with Ministries of Justice, Finance and Commerce to achieve administrative and judiciary reforms to improve free market institutions, Work to reform business registration, association laws and commercial code.
4. Provide technical assistance to the Committee de Suivi of the Private Sector Roundtable; follow through on recommendations made by that Roundtable.

PROJECT ACCOMPLISHMENTS TO DATE;

- Private Sector Roundtable;
- On-going dialogue between GOC and private sector;
- Incorporation of private sector recommendations in national Cahier de Charges;
- Study of Customs and recommendations for restructuring;
- Work on banking secrecy act.

TO BE ACCOMPLISHED:

- Continued implementation of Roundtable recommendations;
- Continued legal reform;
- Private sector workshops and training.

NAME OF PROJECT: Human Resources Development Assistance
(HRDA)

PROJECT PURPOSE:

To strengthen the capability of Chadian development institutions and private sector entities.

PROJECT DESCRIPTION:

Taking into consideration the broad requirements of targeted institutions, this project is designed to stimulate, facilitate and support national and regional training programs that will produce qualified technical, scientific and managerial personnel and policy planners to strengthen Chadian development institutions and will enhance the growth of the private sector and increase the participation of women in development.

PROJECT ACCOMPLISHMENTS TO DATE:

- A critical mass of public sector employees in the Ministries of Agriculture and Plan trained, with particular emphasis on management.
- Health employees trained and started a management association that has become government wide.
- Private sector training emphasizing rule of law, regional trade and notarial work undertaken.

TO BE ACCOMPLISHED:

It should be noted that this project undertakes only short term training with a focus on in country training. It is a pivotal project in terms of support for the institutionalization of policy reforms and private sector development. Recent meetings with the GOC and the private sector have targeted the following training as key over the next two years:

- Management, especially for the private sector;
- Training of local and regional government employees, for example prefects and sub-prefects, in management;
- Training of groupments and other associations in how to run democratically their organizations and financial management.

USAID/Chad is currently developing the two year plan in detail with its partners. This is viewed as critical for the sustainability of its efforts, especially with respect to the private sector and local government. It will include no long term training. While most short term training will be done in country, the management programs in French in the US will be used for key individuals during the summers of 1994 and 1995

to further enhance the results of our programs.

EVALUATION:

A recent evaluation of the training program to date demonstrated that the training program has been effective to date and that use is being made of training once the participants return to country. It recommended more emphasis on in country training.

USAID/ARGENTINA/URUGUAY

ACTION PLAN

FY 1995 - 1996

January 1994

**USAID/ARGENTINA/URUGUAY
FY 1995-1996 ACTION PLAN**

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**USAID/ARGENTINA/URUGUAY
FY 1995-1996 ACTION PLAN**

A. OVERVIEW

1. Introduction

The Action Plans for USAID's current bilateral programs in Argentina and Uruguay were approved in June 1992. It was decided in late 1993 to include these two programs in the 21 USAID programs to be terminated worldwide. In an effort to avoid abrupt cancellation of ongoing programs, and based upon our indication that the PACDs for ongoing activities were to be reached by 1995, USAID/W decided to schedule the termination of programs in Argentina and Uruguay for mid-1995.

USAID notification to the two Host Countries and U.S. Ambassadors indicated that Uruguay and Argentina would continue to be eligible to participate in selected regional programs after the termination of bilateral programs. Both U.S. Ambassadors and the current USAID Representative recommend USAID/W decide to take the steps necessary to make this possibility a reality in order to enable USAID to continue contributing to USG efforts to meet important bilateral and regional objectives. USAID/W's intentions regarding the possibility of developing new regional programs in which Southern Cone countries might participate are still unclear. A decision in this regard is required before the Operational Plan for the closure of our Office can be finalized.

This final Action Plan for bilateral programs in Argentina and Uruguay:

- reports on program accomplishments during the 18 months since June 1992;
- presents for AA/LAC approval, the activities, program objectives, and resource requirements for the final 18 months of bilateral program operations until June 1995;
- offers for discussion ideas for new LAC regional programs in which Argentina and Uruguay could participate and to which they could contribute;
- outlines an initial Operational Plan for the closure of our Office which will be finalized in accordance with decisions made at the Action Plan Review and following consultations with USAID/Bolivia and USAID/W.

The FY 1994 program budget requested for the two countries is \$2,526,000. This will fund the final 18 months of bilateral project activities, and compares with a total of \$2,780,000 obligated for both countries in FY 1993. The minimum (base level) O.E. budgets needed, including down-sizing costs, are \$331,000 in FY 1994, \$351,000 in FY 1995, and \$129,100 in FY 1996. This compares with a FY 1993 level of \$400,000.

2. Political and Economic Highlights

Both Argentina and Uruguay are middle-income countries with respectable economic and social indicators. Except for the northernmost provinces of Argentina, the level of poverty common in most other Latin American countries is absent. This is the reason USAID's programs are not traditional "assistance" programs to address poverty concerns, but rather "cooperation" programs in areas of mutual interest. Per capita GDP in Uruguay is currently over \$4,300 and in Argentina it is reportedly over \$7,000. Literacy in both countries exceeds 95%, and life expectancy in Uruguay is 73 years while in Argentina it is over 71 years.

The U.S. enjoys excellent relations with both countries. In Uruguay, this is based on our shared democratic traditions, similar predominantly middle class societies, and common concern for social well-being. Under President Menem, Argentina's relationship with the U.S. has radically improved, based primarily on Argentina's successful economic reforms and GOA efforts to align itself politically with the U.S. This new relationship has led to increased exchanges and cooperation in numerous areas, most notably in commerce. U.S. exports to Argentina have more than tripled over the last three years, to a level of \$3.5 billion in 1993.

The most significant recent political event in Uruguay was the December 1992 Referendum which resoundingly defeated President Lacalle's plan to create a mixed-capital telephone company, and represented a clear public repudiation of his Government's economic reform policies. The Referendum immediately transformed the Lacalle Government into a lame-duck Administration. Privatization and public sector reform efforts stalled. The Government struggled to maintain as much fiscal and monetary discipline as possible in 1993, and also succeeded in respecting already scheduled tariff reductions to open Uruguay's economy further. Without structural reforms, however, inflation could only be reduced in 1993 from 58.9% to 52.9% (the target was 30%), and real GDP growth declined from 7.4% in 1992 to 2.0% in 1993.

This year is an election year in Uruguay, and a new government will take office in March 1995. It will most likely be headed either by former President Sanguinetti or by the leader of a leftist coalition which has never governed nationally. No significant changes are expected in 1994, and the new government will face already known challenges: a) making public sector structural reforms, especially a reduction in the number of central government employees and reform of the social security system; b) taking the most difficult steps necessary to finally tame inflation, which hinders growth, increases income disparities, and has made it impossible for Uruguay to maintain the quality of social services which had made it unique in Latin America; and c) finding ways to stimulate private-sector-led

growth by undertaking legal, regulatory and judicial reforms to improve the business environment.

The most noteworthy occurrence in Argentina during the past year has been President Menem's consolidation of power. This has been achieved primarily by his Government's very successful economic stabilization and reform program, and as a result of Menem's own remarkable political abilities. The process recently reached a climax with an agreement between Menem's Justicialista Party and Argentina's other primary political party, the Radicales, to reform the Constitution to allow Menem to run for a second term. He is practically guaranteed to win re-election in 1995, and this would result in a total of ten years in power.

Argentina's economic reform program continues to make significant progress. In 1993, fiscal and monetary discipline was firmly maintained; the privatization program (one of the world's largest) was completed; and Argentina pushed hardest within the MERCOSUR for continued progress in opening Southern Cone markets. Inflation declined in 1993 to 5%, from a level of 17.5% in 1992. GDP growth also declined from 8.7% in 1992 to 5% in 1993, but was very respectable in view of the significant structural reforms the economy is experiencing. Capital inflows have increased markedly, and Argentina is now successfully selling public and private sector securities in international markets.

The prospects for continued economic progress in Argentina are good. The Government intends to extend the reform process to the provinces. Two very significant economic challenges still exist: undertaking real legal, regulatory and judicial reforms to improve the business climate and provide a politically secure base for economic growth; and beginning to address more seriously the endemic poverty which exists in the northernmost provinces.

The way in which the constitutional reform process has occurred has left many Argentines who are interested in reforming the country's authoritarian traditions very worried. Negotiations took place between the leaders of the two major political parties (President Menem and former President Alfonsin) behind closed doors, and included an agreement to replace three ministers from the nominally independent Supreme Court. The Legislative Branch's role was limited to rubber-stamping what had already been agreed. Power continues to be very centralized in the Executive Branch, and even political opposition by the Radicales has been completely neutralized for the time being. For Argentines concerned with protecting human rights, combating corruption -- which is still endemic -- and promoting LRJ reforms as a basis for further economic growth, recent trends are very disquieting. In Argentina's new democracy, it is also clear, however, that many of these same Argentines will continue to work hard for the significant political changes they feel are so necessary. They will be supported by the country's free and

increasingly responsible press and by pressures brought to bear as a result of Argentina's more open and competitive economy.

3. MDC Program Strategies for Argentina and Uruguay

The MDC Program strategies approved by LAC in 1992 for Argentina and Uruguay are characterized primarily by our strict focus on making progress in only two key areas of U.S. interest (democracy and growth) and by the fact that we are collaborating principally with local NGOs.

The focus on U.S. interests contrasts with the former MDC strategy of allocating specified resource levels to each country to be used for a variety of developmental objectives (the "targets of opportunity" strategy). Conditions in each country have dictated that primary emphasis be put on democracy activities in Argentina and on growth activities in Uruguay.

In Argentina, USAID's primary Strategic Objective is "more responsible government institutions and a more engaged citizenry," and it includes AOJ, anti-corruption, and civic participation activities. The second Strategic Objective is "improved prospects for business expansion in Argentina," and it includes selected activities to improve the legal, regulatory, and judicial environment for business and to make medium-sized Argentine and U.S. firms more aware of business opportunities.

In Uruguay, USAID's primary Strategic Objective is "more active participation by the private sector in the process of economic reform," and it includes support for activities of business associations to increase awareness of legal, regulatory, and judicial reforms required to improve business conditions in Uruguay, and to improve Uruguayan private sector competitiveness. The second Strategic Objective is "improved efficiency and quality in judicial decision-making," and it includes activities in court administration and judicial training.

We finance relatively small activities implemented by local reformers -- mostly NGOs (e.g., civic organizations, business/trade associations). The focus in both programs is on helping local reformers promote political and institutional changes. This takes time to achieve and requires a flexible programming approach. Before it was decided to terminate bilateral programs, we envisaged experimenting with a number of local NGOs in each country with a view to concentrating support eventually on those which were most successful in obtaining results.

In addition to focusing on U.S. interests and working primarily with NGOs, our strategies in both countries have aimed:

- To link NGOs and other local reformers to U.S. leaders

- from the public sector, NGOs, and private businesses.
- To coordinate closely with other USG agencies, both in Washington and as a member of Embassy Country Teams.
- To leverage resources both from other donors, principally the IDB, and from local private sector sources.
- To promote regional cooperation, especially in the areas of administration of justice, civic participation and anti-corruption.

This way of operating in Uruguay and Argentina already conforms in many ways with approaches Administrator Atwood is advocating for a "re-invented" USAID, and with many of the "lessons learned" pointed out by CDIE in its analyses of USAID's experiences in democracy and growth programs worldwide.

4. Progress Achieved To-Date

The most satisfying and productive element of USAID's democracy program in Argentina has been the success achieved by the NGOs we support. Their work in increasing public awareness of the need for judicial sector reform and combatting corruption has resulted in significantly increased public discussion of these issues and civic involvement in reform efforts. Increased civic participation in efforts to meet community needs has also been achieved through support to Conciencia, but additional groups could not be supported due to lack of funding. On the official side, efforts to work with the National Supreme Court have been very frustrating due to political difficulties, but significant progress in improving court administration has been made by the Supreme Court of the Province of Buenos Aires. The creation of a National Association of Provincial Courts (CEJURA) is also very promising.

USAID's efforts to improve business conditions in Argentina have been reduced to only three activities. The IESC Business Development Services Program has generated numerous proposals from medium-sized Argentine firms for joint ventures which are currently being marketed in the U.S. Efforts at LRJ reform were reduced to one USAID program to initiate cooperation between the SEC and CNV, which has been successful in achieving its modest objectives. Lastly, a good start has been made by USAID's Office of Energy and Infrastructure to identify and promote renewable energy projects which might lead to U.S. exports.

In Uruguay, USAID's efforts to promote more private sector participation in the process of economic reform will now be curtailed, just as initial activities are beginning to take off. Business associations with which we work have expressed much more interest in programs to improve member firms' competitiveness than in activities to promote LRJ reform, a topic which is still not widely understood by private sector leaders.

The USAID/UNDP AOJ Program in Uruguay continues to be successful. CEJU has been established has a judicial training center and succeeded in attracting IDB support for its program to reduce legal and judicial impediments to investment. Court administration reform efforts led by the Supreme Court are now underway with a full program of activities agreed to and scheduled for 1994 and 1995.

Last September, a CDIE team evaluated USAID's democracy activities in both Argentina and Uruguay. The team noted several aspects of USAID's programs it felt were positive. These included: support for NGOs in Argentina for constituency/coalition building; the use of a small amount of USAID funds to promote reforms within the Uruguayan justice system; the impact of policy dialogue by NGOs and USAID with the Argentine Ministry of Justice and the Buenos Aires Provincial Court; USAID's success in attracting other donor support for justice sector programs; and the use of a flexible programming approach which made it possible to respond to targets of opportunity. The team concluded that even a limited USAID presence can make a significant contribution to USG democracy goals.

USAID's goal of promoting participatory development has been achieved through our heavy emphasis on cooperating with local NGOs. We are working with seven Argentine NGOs in our democracy programs and with ten Uruguayan NGOs. Several examples also can be cited where the elements of the MDC strategy described above have been applied.

- **Facilitating Linkages with the U.S.:**

- Visits by supreme court ministers from both countries to several state courts (e.g. Minnesota, Kentucky, California, Virginia, New York) and the National Center for State Courts, which have helped them develop ideas and exchanges for programs in Argentina and Uruguay.

- A Partners of the Americas' program to improve juvenile justice in Uruguay.

- Assistance to Conciencia (an Argentine civic education NGO) and its sister organizations in the Organizaciones Cívicas Panamericanas from Anita Perez Ferguson, Director of Training for the Democratic National Committee.

- Conciencia cooperation with Partners of the Americas and the Kellogg Foundation to help it implement programs in Argentina.

- Collaboration by Poder Ciudadano (an Argentine civic organization) with Philip Heymann when he was still at

Yale University, in connection with anti-corruption programs in Argentina.

-- Creation of a consortium of four U.S. universities to work with the Catholic University of Uruguay to develop its Masters of Business Administration program.

-- Cooperation by Yale University and Centro de Estudios Institucionales (C.E.I.) to create a Masters of Law program in Argentina.

-- Bilateral cooperation in market regulation and enforcement procedures between the Securities and Exchange Commission and its sister organization in Argentina, the Comisión Nacional de Valores.

-- Bilateral cooperation between the National Institute of Standards and Technology (NIST) and the Uruguayan Comité Nacional de Calidad and National Technological Laboratory (LATU) for creation of an industrial quality award program.

-- IESC Business Development Services in both countries to promote U.S. joint ventures with local small businesses.

-- FUCREA's (an Uruguayan agribusiness association) cooperation with James Austin of Harvard Business School and experts from U.S. trade associations for implementation of its programs in Uruguay.

-- Cooperation between the U.S. Environmental Law Institute and FARN (an Argentine environmental NGO) to carry out an environmental planning program in the Province of Neuquén.

• **Leveraging Local Private Sector Funding:**

-- Informal collaboration with two Argentine business associations (IDEA and Fundación para la Modernización del Estado) to encourage them to finance programs to improve court administration.

-- Involvement of numerous Uruguayan companies in initiating and developing a successful Junior Achievement (DESEM) program.

-- Cost-sharing from numerous Uruguayan business associations involved in USAID programs to improve Uruguayan competitiveness.

• **Leveraging Other Donor Resources:**

-- Collaborating with the IDB to develop its first justice sector project in Latin America: support to the Uruguayan Supreme Court for programs to reduce legal and judicial impediments to private sector growth.

-- Current discussions with the World Bank and the IDB to continue and expand AOJ efforts in Argentina when USAID programs end in 1995.

-- Cooperation with the UNDP to implement the AOJ program in Uruguay and technical assistance to improve public sector financial management in Argentina.

-- Obtaining IDB support for an Uruguayan program (PLADES) to simplify trade regulations. Additional discussions are under way with the IDB regarding use of Multilateral Investment Fund resources for other programs initiated by USAID in Uruguay.

• **Regional Cooperation:**

-- Visits by Uruguayan Supreme Court officials to Bolivia and Ecuador to discuss reform of trial procedures.

-- Establishment of the MERCOSUR de las Cortes, an annual meeting among supreme court representatives from Argentina, Uruguay, Chile, Bolivia, and Paraguay, to promote judicial sector reform. (The guest speaker at the last meeting was Justice Anthony Kennedy of the U.S. Supreme Court.)

-- Visits by Poder Ciudadano personnel to discuss its anti-corruption programs with NGOs in Ecuador, Venezuela, Guatemala, and El Salvador.

-- Active involvement by Conciencia in creating the Organizaciones Cívicas Panamericanas.

-- Cooperation between CAF (an Uruguayan agribusiness cooperative association) and similar associations from Chile.

Specific new accomplishments to be achieved by mid-1995 under each strategic objective are specified in Section C.

Areas in which Argentina and Uruguay could potentially participate in new LAC Regional Programs when bilateral programs terminate include: administration of justice; anti-corruption/public sector financial management; civic participation; legal, regulatory and judicial (LRJ) reform efforts; promoting compatibility with NAFTA trade, environment

and labor standards; and environmental planning, anti-pollution and clean energy programs.

B. PROGRESS IN ACHIEVING AGENCY GOALS

1. Program Performance - Argentina

USAID's two Strategic Objectives for Argentina are:

- (1) More Responsible Government Institutions and a More Engaged Citizenry; and
- (2) Improved Prospects for Business Expansion in Argentina.

These objectives support the Agency's goals of building democracy and achieving broad-based economic growth. As Argentina continues to undergo radical political and economic change, the USG's opportunities for impacting the reform process have been numerous. USAID's programs have been an important element in achieving progress toward U.S. growth and democracy objectives.

a. Building Democracy: S.O. 1

Under Strategic Objective No. 1, USAID is working in three areas which are important to strengthening Argentina's democracy: justice system improvement; anti-corruption; and civic participation. Specifically, USAID's activities have aimed to achieve the following Program Outcomes:

1. a more independent, efficient, and accessible justice system;
2. reduced opportunities for corruption; and
3. increased civic participation.

Program Outcome 1

Progress under the Administration of Justice Program has primarily been made in the areas of increasing public awareness of the need for justice sector reforms, increasing access to the justice system, and beginning to achieve provincial judicial reforms in court administration.

Through the Ministry of Justice (MOJ) component, which is carried out in cooperation with Fundación Libra, the use of mediation as a dispute settlement mechanism has become a legitimate method for use in Argentina. In 1992, the MOJ issued a decree to legalize and regulate the use of mediation as a dispute settlement mechanism, and it is expected that the Argentine Congress will issue a law in 1994 based on that decree, or that the new Constitution being discussed will include a chapter on alternative dispute resolution (ADR). It is also anticipated that the new Civil Procedure Code under discussion by Congress

will include a chapter on ADR, and that mediation will be introduced into the formal court system.

The four pilot neighborhood legal aid and mediation centers established under the MOJ project continue to operate successfully. By a recent ministerial decision, the costs of the neighborhood centers are being assumed by the GOA. USAID will provide an evaluation and make recommendations to the centers on ways to improve their effectiveness. The MOJ has also created a school for mediators, officially established a "Corps of Mediators," and is in the process of opening a Judicial Mediation Center in downtown Buenos Aires. The MOJ plans to expand the program and will work with provincial courts to spread the use of mediation at the provincial level.

The mediation program grew out of a cooperative effort between the MOJ and Fundación Libra under the AOJ project. The AOJ project has assisted Fundación Libra in issuing bulletins on mediation that are read throughout Latin America, in organizing training programs delivered by a Harvard law professor, and in providing technical assistance on mediation to the Uruguayan Supreme Court and to several Argentine provincial courts. As a result of the enthusiastic reception to mediation in Argentina, the National Center for State Courts chose Buenos Aires as the site for its Interamerican Seminar on ADR in November 1993.

The public defenders training program developed by FORES was completed in 1993. As a result, public defenders are better trained, the public's perceptions of them and their own self-perceptions have improved, coordination among public defenders has increased, and the first National Congress of Public Defenders is being planned for late in 1994.

The Supreme Court of the Province of Buenos Aires (SCPBA) is the country's largest and serves one-third of the population. The Ministers of the SCPBA are convinced that reform is necessary and have used USAID seed-money channelled through a Planning and Budgeting Office they created to pursue numerous reforms. These have included: beginning the process of decentralizing administrative authority within the Province; automating court receivers' offices and setting up an information center to better serve the public; initiating training in mediation and for public defenders; and working with Conciencia to measure public perceptions regarding services the justice system provides. Recently, the Ministers began a series of round-table discussions among appellate court presidents to plan and make decisions on court administration in a participatory fashion, something not common in Argentina.

Fundación La Ley (FLL) initiated its efforts to create a National Center for Provincial Courts (CEJURA) and the first meeting of the presidents of provincial courts was held in May 1993. Larry

Sipes, President of the National Center for State Courts, was the keynote speaker at the event, where 31 ministers from 19 of the 23 provincial courts actively participated. Agreement has been reached with provincial courts in Santa Fe and Córdoba for pilot projects whose results will be shared through the CEJURA network. Sub-regional conferences will be held in 1994 to define further CEJURA programs to be carried out.

Several activities were sponsored to increase public awareness and "demand" for judicial reform. Fundación La Ley convened representatives of all public agencies and NGOs participating in the AOJ program to a meeting where they agreed to jointly design a public opinion poll regarding awareness of justice sector issues and suggestions for improvement. This poll was carried out by Gallup after the October elections, and its results will soon be released to the media. In addition, each participating organization will use the findings of the poll to improve its own programs.

As a result of USAID's informal contacts with business leaders belonging to the Fundación para Modernización del Estado, the National Supreme Court agreed to have Arthur Anderson Consulting carry out a comprehensive USAID-financed diagnosis and action plan for administrative reform. Unfortunately, the report was completed just as the Supreme Court entered another serious crisis period which culminated in political party agreement to change three ministers. When and if the Court gets its affairs together again, the study can be used to initiate administrative reform and involve business leaders in the effort.

Two key Argentines attended the NCSC seminar on Delay Reduction held in Chile: the Legal Affairs Coordinator of IDEA (a business association), who is also General Counsel of ESSO/Argentina; and the Procurador del Tesoro. Upon return, IDEA decided to organize a national delay reduction conference to be held in March 1994. In preparation, it distributed a survey instrument to business leaders, law firms and judges which will be used at the conference to devise an action plan for delay reduction. In addition, IDEA has decided to hold seminars for selected judges on how to improve administration of their courts.

The Procurador del Tesoro has been heavily involved in political party negotiations to amend the Constitution. One of the amendments likely to be approved would significantly affect the manner in which the federal judicial system conducts its affairs. The Procurador has requested USAID's principal AOJ advisor to work under IDB auspices to assist with the design of new administrative procedures.

Indirectly, the support USAID provides to Poder Ciudadano and Conciencia has also had a major impact on public awareness of justice sector issues and involvement in reform efforts. Poder

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Ciudadano has great influence with the media, while Conciencia's efforts focus more at the community level.

The primary problem with the AOJ Program continues to be lack of leadership from the politically divided members of the National Supreme Court. Because of the Supreme Court's inability to get things done, the plan to establish a single federal judicial school through the Supreme Court has been abandoned. Efforts are being redirected to the provincial level for the creation or strengthening of provincial judicial education centers.

Program Outcome 2

During the last year, significant progress has been made in raising the level of public awareness of what can be done to begin to reduce corruption. Much of the credit, both for increasing the attention of the general public to the effects of corruption in Argentina and for making various interest groups more knowledgeable about what they can do to combat it, goes to Poder Ciudadano. Evidence of Poder Ciudadano's efforts are highly visible in the Argentine media. For example, in the last year, Poder representatives appeared in 1070 minutes of television and 915 minutes of radio programs, and 358 articles were published in which Poder work was cited. Poder's insights into the topic of corruption and the methodology it has developed to combat it have been recorded by Poder principal, Luis Moreno Ocampo, in his best-selling book, In Self Defense: How to Get Rid of Corruption.

Poder Ciudadano has continued sponsoring seminars on corruption, and members of Poder have been asked to provide technical assistance to NGOs in other LAC countries. While Poder Ciudadano was once the only organization working on the problem of corruption in Argentina, due to its efforts there are now thirty-four groups addressing the issue.

USAID/Argentina's efforts to complement Poder Ciudadano's work with efforts in the public sector have had very limited success. Long-term technical assistance from an Ecuadorian expert was provided to the Tribunal de Cuentas to transform it into an Auditoria General in conformance with Argentina's new public financial control legislation, but his good work was not put to use for political reasons. Consequently, USAID worked to switch the advisor to the GOA internal audit agency, SIGEN, with the funds already obligated with the UNDP.

The plans to de-bureaucratize the Immigration and Customs offices to reduce opportunities for corruption which were prepared by the Civil Service Secretariat/Ministry of Justice have not been used, again because of political problems which resulted in the resignation of USAID's principal GOA counterparts for the activity, the Minister of Justice and the Minister of the

Interior.

Program Outcome 3

USAID's efforts to promote civic participation have been implemented through support for Conciencia in its programs to encourage civic involvement in municipal government, parental and civic involvement in primary and secondary education, and non-partisan training of female political candidates.

Concerning the municipal component of the project, four municipal-level groups have been formed and are designing community-based projects. Conciencia has organized seminars on civic participation for citizens and NGOs, and as a result of its efforts, 43 other NGOs are now carrying out civic activities. While mobilization of civic leaders at the municipal level has increased, it should be noted that progress has been slowed due to unexpected difficulty in getting municipal leaders to work with the community groups. There has been strong interest in the "school and community" component of Conciencia's project as well. Workshops and related activities have attracted 320 participants, and four projects are underway.

In its component for educating women for participation in the political process, Conciencia has been very successful: four training courses were delivered (three of them in the Provinces) with 154 women participating, 99 of whom already held political offices and 33 of whom were subsequently elected. Representatives of twelve political parties and 18 NGOs participated in the training courses, and 35 community projects started as result of the training courses. The program succeeded in taking advantage of Argentina's new law setting a minimum percentage of female candidates to be included on party ballots to help prepare candidates for office, introduce them to the concept of constituent service, and strengthen the importance of women's participation in political life.

Conciencia's efforts in promoting civic participation extend to the international level through its work with Organizaciones Cívicas Panamericanas, whose annual meeting Conciencia hosted in 1993. It also published 3 Panamerican Letters, and provided course materials and other assistance for 13 seminars in other LAC countries.

b. Broad Based Economic Growth: S.O. No. 2

Under S.O. No. 2, USAID intended to work in two broad areas: selected improvements to the LRJ environment for business, and activities to make medium-sized Argentine firms more aware of business opportunities involving U.S. exports or joint ventures with U.S. firms. USAID activities under S.O. No. 2 have been reduced to only three due to funding constraints and USAID's

ARGENTINA

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE

ARGENTINA				
STRATEGIC OBJECTIVE NO. 1 More responsible government institutions and a more engaged citizenry				
<i>Indicator: Percentage of public who believe that there are significant degrees of corruption by a) politicians, b) government employees, and c) judges</i>				
Unit: Percentage		Year	Planned	Actual
Source: Survey by NGO Poder Ciudadano	Baseline	1992	-----	a. 91 b. 88 c. 66
Comments: The survey used to measure this indicator has not been done this year. Given the numerous allegations of corruption in the justice sector, it is likely that public confidence in judges has declined.		1993	a. b. c.	***
		1994	a. b. c.	***
		1995	a. b. c.	***

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TABLE 1: STRATEGIC OBJECTIVE PROGRAM "TREE"

ARGENTINA
Agency Goal: Building democracy
STRATEGIC OBJECTIVE NO. 1 More responsible government institutions and a more engaged citizenry

PROGRAM OUTCOME NO. 1.1 A more efficient, independent and accessible justice system	PROGRAM OUTCOME NO.1.2 Reduced opportunities for corruption	PROGRAM OUTCOME NO. 1.3 Increased civic participation
---	---	---

Activities	Activities	Activities
Administration of Justice:	Poder Ciudadano	Conciencia
Fundación La Ley	SIGEN (Internal Auditors' Office)	Poder Ciudadano
Ministry of Justice		
National Supreme Court		
Supreme Court of the Province of Buenos Aires		
Fundación FORES		
Fundación Libra		
I.D.E.A.		

STRATEGIC OBJECTIVE NO. 1 More responsible government institutions and a more engaged citizenry

PROGRAM OUTCOME NO. 1.1 A more independent, efficient and accessible justice system

Indicator: Number of court administration reforms implemented

Unit: Number		Year	Planned	Actual
Source: Supreme Court of the Nation, Supreme Court of the Province of Buenos Aires and Fundación La Ley semi-annual reports	Baseline	1992	-----	3 reforms started
Comments:		1993		3 reforms started
		1994		***
	Target	1995		***

Indicator: Judicial Education Centers established or strengthened

Unit: Number		Year	Planned	Actual
Source: Provincial Courts, Fundación La Ley	Baseline	1992	-----	---
Comments: This indicator has been revised from establishing a single federal judicial school to the establishment or strengthening of provincial judicial education centers.		1993	-----	0
		1994	-----	***
	Target	1995	4	***

<i>Indicator: Percentage of victims of corruption surveyed who reported it to authorities</i>				
Unit: Percentage		Year	Planned	Actual
Source: Baseline: Poder Ciudadano survey. Ongoing reporting: Poder Ciudadano	Baseline	1992	-----	28
Comment: The survey used to measure this indicator has not been done this year.		1993		***
		1994		***
		1995		***
<i>Indicator: Percentage of the public reporting a favorable perception of the fairness of the justice system</i>				
Unit: Percent		Year	Planned	Actual
Source: Baseline: Argentine media. Ongoing reporting: media and Poder Ciudadano surveys	Baseline	1991	-----	22
Comment: <u>Noticias</u> magazine (12/5/93) is the source for the 1993 percentage reported. The percentage has declined due to the numerous allegations of corruption in the justice sector.		1993		16
		1994		***
		1995		***

STRATEGIC OBJECTIVE NO. 1 More responsible government institutions and a more engaged citizenry

PROGRAM OUTCOME NO. 1.2 Reduced opportunities for corruption

Indicator: Number of GOA offices debureaucratized

Unit: Number		Year	Planned	Actual
Source: Ministry of Justice and Civil Service Secretariat semi-annual reports	Baseline	1992	-----	0
Comments: The analysis and recommendations for two offices were completed, but changes were not implemented because of political problems. Project has been cancelled.		1993		0

Indicator: Number of groups participating actively in anti-corruption activities

Unit: Number		Year	Planned	Actual
Source: Poder Ciudadano semi-annual reports	Baseline	1991	-----	1
Comments:		1992	-----	8
		1993	20	34
		1994	36	***
	Target	1995	44	***

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<i>Indicator: Mediation and arbitration laws/decrees/regulations operational</i>				
Unit: Number of laws/decrees/regulations		Year	Planned	Actual
Source: Ministry of Justice	Baseline	1992	-----	3
Comments: Figures are cumulative. Activities include: the establishment of a Mediation Commission; passage of a Mediation Decree; the creation of a school for mediators; and a judicial mediation pilot project.		1993		4
		1994		***
	Target	1995	4	***
<i>Indicator: Number of mediation programs introduced in Argentina</i>				
Unit: Number		Year	Planned	Actual
Source: Ministry of Justice, Fundación Libra	Baseline	1991	----	0
Comments: Figures are cumulative. The following programs have been introduced: neighborhood mediation centers; a mediation school; a corps of mediators; and a National Plan for Mediation.		1992	----	1
		1993	----	4
		1994	5	***
	Target	1995	6	***
<i>Indicator: Number of cases resolved through mediation</i>				
Unit: Number		Year	Planned	Actual
Source: Ministry of Justice and Fundación La Ley semi-annual reports	Baseline	1991	----	400
Comments:		1992		576
		1993		612
		1994		***
	Target	1995		***

limited outreach to USG regulatory entities. All three activities are proceeding well and will be completed on schedule.

Program Outcome 1

Our primary activity is USAID's program to initiate cooperative relations between the SEC and the CNV. Both institutions expressed an interest in cooperating, but this only became possible with the availability USAID's funding and the special efforts of SEC Commissioner, Mary Schapiro. The CNV requested SEC assistance in developing enforcement procedures to initiate their relationship. USAID pays for travel and per diem costs of SEC personnel and representatives of U.S. capital markets recruited by the SEC. The SEC covers the salaries of its own personnel. Technical assistance to the CNV in Buenos Aires has been completed, and training in the U.S. will take place this year. The CNV is already much more active in enforcement, and a current case brought recently against a major Argentine firm has generated a lot of useful publicity for the CNV regulatory efforts.

USAID obtained agreement of the USDOC Patents and Trademarks Office to design a technical assistance program for its counterpart Argentine agency. That Agency will have responsibility for enforcing new patent legislation, an important USG bilateral objective. Because of delays in passing the legislation, USTR would not allow this effort to begin, and now it will not take place.

The USAID Office of Energy and Infrastructure has began consultations with the GOA Secretariat of Energy regarding training in demand management. This will contribute to the Secretariat's efforts at regulation of private power utilities.

Program Outcome 2

The principal activity under this program component is the IESC Business Development Services Program. Under the Program, medium-sized Argentine firms interested in joint ventures with U.S. firms are assisted in making contacts in the U.S. During 1993, the USAID/IESC BDS Office was set up in downtown Buenos Aires, and cooperative relations were established with four provincial associations through which joint venture proposals are being identified. From over 400 companies interviewed to date, 153 have been analyzed thoroughly, and 24 proposals have been sent to IESC, Connecticut. Of these, 14 are being actively marketed, and discussions have begun between Argentine and U.S. firms in two cases.

The Office of Energy and Infrastructure is working with U.S. non-renewable energy trade associations and provincial governments in Argentina to identify potential renewable energy projects which

STRATEGIC OBJECTIVE NO. 1 More responsible government institutions and a more engaged citizenry

PROGRAM OUTCOME NO. 1.3 Increased civic participation

Indicator: Number of municipal, school and community projects undertaken through civic participation

Unit: Number		Year	Planned	Actual
Source: Conciencia semi-annual reports	Baseline	1992	-----	0
Comments: This indicator includes both projects undertaken directly by the USAID funded organization Conciencia, and projects which are not executed directly by Conciencia but involve its technical assistance to NGOs or public institutions.		1993		47
		1994	55	***
	Target	1995	60	***

Indicator: Female political candidates trained

Unit: Number		Year	Planned	Actual
Source: Conciencia semi-annual reports	Baseline	1992	-----	0
Comments: The "planned target" figure has been increased based on the success of this activity in 1993.		1993		154
		1994	200	***
	Target	1995	250	***

Indicator: Other NGOs related to the program carrying out civic participation activities

Unit: Number		Year	Planned	Actual
Source: Conciencia semi-annual reports	Baseline	1992	-----	0
Comments: The training program includes several other NGOs to which Conciencia provides T.A. Conciencia also provides material to other NGOs interested in the subject of civic education and participation, even if they are not formally participating in the program.		1993		43
		1994	55	***
	Target	1995	60	***

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Argentina				
STRATEGIC OBJECTIVE NO. 2 Improved prospects for business expansion in Argentina				
<i>Indicator: U.S. exports to Argentina</i>				
Unit: US\$ million		Year	Planned	Actual
Source: U.S. Department of Commerce	Baseline	1991	---	1,897
Comments: Our efforts focus on improving Argentine business prospects by linking Argentine businesses with U.S. firms; hence this proxy indicator.		1992	---	3,000
		1993	---	3,500 (est.)
		1994	---	***
	Target	1995	---	***
PROGRAM OUTPUT NO. 2.1 Selected improvements in legal, regulatory and judicial environment for business in Argentina				
<i>Indicator: Number of regulatory norms and procedures adopted</i>				
Unit: Number		Year	Planned	Actual
Source: Reports from USG and other agencies providing assistance to Argentine entities	Baseline	1992	---	0
Comment:		1993	1	1
	Target	1994	2	***

TABLE 1: STRATEGIC OBJECTIVE PROGRAM "TREE"

ARGENTINA	
Agency Goal: Achieving broad-based economic growth	
STRATEGIC OBJECTIVE NO. 2 Improved prospects for business expansion in Argentina	
PROGRAM OUTCOME NO. 2.1 Selected improvements in legal, regulatory and judicial environment for business in Argentina	PROGRAM OUTCOME NO. 2.2 Argentine and U.S. businesses made aware of trade and investment opportunities
Activities	Activities
S.E.C./Comisión Nac. de Valores PASA	IESC BDS Program
Office of Energy regulatory activities	Office of Energy renewable energy activities

STRATEGIC OBJECTIVE NO. 2 Improved prospects for business expansion in Argentina

PROGRAM OUTPUT NO. 2.2 U.S./Argentine businesses made aware of trade and investment opportunities

Indicator: Number of firms engaged in deal-related discussions as a result of USAID-sponsored programs

Unit: Number		Year	Planned	Actual
Source: Buenos Aires BDS Office database	Baseline	1992	----	0
Comments:		1993	----	2
		1994	12	***
	Target	1995	25	***

Indicator: Number of deals completed

Unit: Number		Year	Planned	Actual
Source: Buenos Aires BDS Office database	Baseline	1992	-----	
Comments:		1993	1	0
		1994	5	***
	Target	1995	10	***

might generate U.S. exports. A national conference will be held in Argentina to select project proposals which will then be presented at a conference in Puerto Rico which will bring together LAC companies, U.S. suppliers and project financing sources.

2. Program Performance - Uruguay

USAID's two strategic objectives for Uruguay are:

- (1) More active participation by the private sector in the process of economic reform; and
- (2) Improved efficiency and quality in judicial decision-making.

These objectives support the Agency's goals of achieving broad-based economic growth and building democracy. Programs in place have continued to make progress in achieving USAID's objectives.

a. Broad Based Economic Growth: S.O. 1

Under S.O. 1, USAID activities have aimed to:

1. increase awareness by private business executives of measures to improve their competitiveness; and
2. better inform private business executives, Congress, and the public about legal, regulatory and judicial (LRJ) issues.

This strategic objective deals with the difficult area of attitudinal change. USAID's aim has been to complement and support current GOU-led economic reform efforts which benefit from ample support provided by the IDB and the World Bank. Efforts to create a more activist private sector in a country as isolated as Uruguay, with such a long-standing tradition of central government intervention in the economy and public distrust of business executives, will take time. The Office continued its approach of explaining its objectives to business associations and other organizations and inviting those that were interested and capable to design activities that USAID might support. In the last year, USAID has supported activities with 10 prominent groups to improve Uruguayan competitiveness and promote reforms in the business environment.

Program Outcome 1

Creating a greater appreciation of the importance of quality standards constitutes a critical element in increasing private business' competitiveness. In recognition of this, USAID/Uruguay's agreements with the GOU National Product Quality Commission (CNC) and the Laboratorio Tecnológico del Uruguay (LATU) enabled these grantees to obtain technical assistance from

the U.S. Department of Commerce's National Institute of Standards and Technology. After consulting with NIST, by GOU decree, an industrial quality award (similar to the Malcolm Baldrige Award) was established. Approximately 100 companies requested applications to compete for the award this year, and numerous companies have indicated their intention to improve quality standards and apply in the future.

Another USAID/Uruguay grantee, the Asociación Cristiana de Dirigentes de Empresas (ACDE), has announced its plans to institute an annual competitive performance award to recognize those companies that have significantly improved their competitive position in the marketplace. ACDE also is preparing a study on competitiveness for the next government. ACDE wants to raise the topic with the next government, and make it aware of the competitive advantages and disadvantages that Uruguayan companies face.

Through USAID's short-term cost-sharing agreement with UCRE, an association of micro-enterprise entrepreneurs, UCRE's members are planning a self-sustaining, long-term program to promote competitiveness after USAID funding terminates in 1995. UCRE received USAID support for a program to improve member firms' competitiveness by improving management capabilities.

USAID has had significant impact on the agribusiness sector through its support of FUCREA, a group of 700 of Uruguay's most prominent agribusiness executives. FUCREA recently sponsored a seminar on competitiveness attended by more than 500 executives at which James Austin of Harvard Business School gave the keynote address on international market requirements and measures companies need to take to make themselves competitive. This seminar created great enthusiasm among FUCREA members for the current series of sectorial seminars being given by FUCREA for its members. The former Minister of Agriculture and FUCREA have cited USAID's "competitiveness strategy" as making the most valuable contribution to the economically-troubled agribusiness sector. They point out that the strategy of improving competitiveness from within -- rather than placing blame on the government, or elsewhere -- is the solution to the industry problems. FUCREA plans to continue with its competitiveness activities with IDB funding, after USAID funding terminates in 1995.

Activities with IESC continue to be successful, as Uruguayan companies are very interested in receiving technical assistance. Since 1987, there have been 120 cases of IESC providing technical assistance to Uruguayan companies. The recipient companies have realized numerous benefits such as improved income generation, more effective management practices, procurement of U.S. manufacturing equipment, and U.S. investment and joint-venture opportunities.

The Uruguayan/American Chamber of Commerce (AmCham) has carried out activities which support both program outcomes. The AmCham has organized seminars by internationally recognized experts on competitiveness and LRJ topics for its members, key political and labor leaders, and the public. Through AmCham support to the IESC Fast Track Program, the first of five sector surveys was conducted, and three Uruguayan dairy companies are currently involved in joint-venture discussions with U.S. companies. Thirteen Uruguayan companies have requested to participate in the next Fast Track project involving the software sector, and five companies have expressed an interest in the frozen meal sector program.

With USAID support, the Catholic University has established a business school with an MBA program developed and assisted by a consortium of U.S. universities. The University is now developing its capabilities to serve private business with USAID support.

The RTAC-II textbook program has grown from 3 bookstores in August 1992 to more than 20 bookstores at the end of 1993. The program sold 20,000 textbooks in 1993, and was just 6,000 sales under the volume of sales needed for the program to be self-sustaining. It is anticipated that the RTAC-II textbook program will be self-sustaining when USAID funding terminates in 1995. This program is vital to improving the quality of education at the University of the Republic, and hence human resource competitiveness.

The Junior Achievement program run by DESEM has been remarkably successful, both in expanding program scope faster than anticipated and in successfully demonstrating to the top-level businessmen on its Board that executives can, indeed, organize themselves to improve the prospects for private sector growth. From its beginning in 1991 with 4 schools and 70 students, the Program expanded to 30 schools and over 1,000 students in 1993. The Program has developed a strategy to ensure self-sufficiency when USAID funding terminates in 1995.

Program Outcome 2

USAID/Uruguay's LRJ activities have met with limited initial success. While attitudes are changing regarding competitiveness, and companies are working to improve competitiveness from within, private sector awareness of what they can do specifically to improve LRJ conditions is much slower in coming. The majority of businessmen continue to believe that initiatives for LRJ reforms are not the responsibility of the private sector, but should come from the government.

The Centro de Estudios de la Realidad Económica y Social (CERES) has carried out various activities resulting in increased

URUGUAY

TABLE 2: STRATEGIC OBJECTIVE PERFORMANCE

URUGUAY				
STRATEGIC OBJECTIVE NO. 1 More active participation by the private sector in the process of economic reform				
<i>Indicator: Number of business groups involved in promoting economic reform</i>				
Unit: Number of business groups		Year	Planned	Actual
Source: Annual survey of firms participating in USAID activities	Baseline	1992	---	0
Comment: USAID/Uruguay has contracted a private survey firm to assist in evaluating the impact of USAID's programs in achieving S.O. #1. The survey firm is in the preliminary stages of analysis, but has confirmed that business group involvement in promoting economic reform was virtually non-existent in baseline year 1992.		1993	---	8
		1994	8	***
	Target	1995	8	***
<i>Indicator: Percentage of businesses participating in USAID activities that have implemented changes in selected areas to improve their competitiveness</i>				
Unit: Percentage		Year	Planned	Actual
Source: Annual survey	Baseline	1992	---	---
Comment: The survey firm is currently gathering information concerning businesses' efforts to increase their competitiveness through interviews with business executives who have participated in USAID activities.		1993		***
		1994		***
	Target	1995		***

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TABLE 1: STRATEGIC OBJECTIVE PROGRAM "TREE"

URUGUAY	
Agency Goal: Achieving broad-based economic growth	
STRATEGIC OBJECTIVE NO. 1 More active participation by the private sector in the process of economic reform	
PROGRAM OUTCOME NO. 1.1 Increased awareness by private business executives of measures to improve their competitiveness	PROGRAM OUTCOME NO. 1.2 Private business executives, Congress and the public better informed about legal, regulatory and judicial (LRJ) issues
Activities	Activities
National Quality Commission (CNC)	Centro de Estudios de la Realidad Económica y Social (CERES)
National Institute for Standards and Technology (NIST)/Laboratorio Tecnológico del Uruguay (LATU)	Uruguayan/American Chamber of Commerce (AMCHAMBER) Guest Speakers Program
International Executive Service Corps (IESC) - T.A.	ORT's Conferences on LRJ
AMCHAMBER/IESC BDS Program	Catholic University of Uruguay (UCUDAL)'s Conferences on LRJ
Improve agribusiness competitiveness (FUCREA)	Cámara Nacional de Comercio economic reform action plan
Improve agribusiness competitiveness (CAF)	
Improve business competitiveness (UCRE)	
University/Private Sector Linkage Program (UCUDAL)	
Support for the Uruguayan National Chamber for Fruits and Vegetables (LAC/TECH)	
RTAC-II	
Junior Achievement - DESEM	
Farmer to Farmer Program (Partners of the Americas)	

<i>Indicator: Change in attitudes and knowledge regarding competitiveness in sample of firms participating in USAID programs</i>				
Unit: To be determined		Year	Planned	Actual
Source: Annual survey of firms participating in USAID activities	Baseline	1992	---	---
Comment: The survey firm has just begun gathering this information. To most effectively measure the baseline for this indicator, the "survey group" will include both firms that have participated in USAID activities and those that have not.		1993		***
		1994		***
	Target	1995		***
STRATEGIC OBJECTIVE NO. 1 More active participation by the private sector in the process of economic reform				
PROGRAM OUTCOME NO. 1.2 Private business executives, Congress and the public better informed about legal, regulatory and judicial (LRJ) issues				
<i>Indicator: Number of individuals participating in USAID activities regarding LRJ issues</i>				
Unit: Number		Year	Planned	Actual
Source: Quarterly project reports of grantees CERES, ACDE, and American Chamber of Commerce	Baseline	1992	---	---
Comments: "Planned" figures are cumulative and involve the participation of many of the same individuals from year to year. This supports USAID/Uruguay's strategy of focussing on "the involvement of participants from the most important companies in Uruguay's small private sector," as stated in last year's action plan.		1993	450	270
		1994	600	***
	Target	1995	600	***

<i>Indicator: Number of discussions/negotiations aimed at joint ventures generated through BDS program</i>				
Unit: Number		Year	Planned	Actual
Source: Quarterly reports of grantee Uruguayan/American Chamber of Commerce	Baseline	1992	---	0
Comment: "Planned" figures are cumulative.		1993	3	3
		1994	12	***
	Target	1995	---	***
STRATEGIC OBJECTIVE NO. 1 More active participation by the private sector in the process of economic reform				
PROGRAM OUTCOME NO. 1.1 Increased awareness by private business executives of measures to improve their competitiveness				
<i>Indicator: Number of business executives participating in USAID activities relating to competitiveness</i>				
Unit: Number		Year	Planned	Actual
Source: Quarterly project reports of grantees IESC, ACDE, and Uruguayan/American Chamber of Commerce; semi-annual report of CNC	Baseline	1992	---	0
Comments: "Planned" figures are cumulative, with the majority of individuals participating in USAID activities from one year to the next.		1993	250	1200
		1994	2300	***
	Target	1995	2300	***

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awareness regarding LRJ issues. Business executives are beginning to demand an environment more favorable to business and to speak out against anti-business legislation and court decisions. The former Minister of the Economy and the former Central Bank President participated in a recent LRJ conference sponsored by CERES.

ORT and UCUDAL are planning new LRJ efforts in 1994, mostly using funds which are already obligated.

b. Building Democracy: S.O. 2

Under S.O. 2, USAID activities aim to improve court administration, train justice system personnel, and take steps to modify or improve implementation of selected laws affecting commerce. USAID/Uruguay's support for reform of the Uruguayan justice system, which is carried out through a grant to the UNDP, has attained significant accomplishments in the last year.

Through the training programs of the Centro de Estudios Judiciales del Uruguay (CEJU), professional training is now a routine part of the judicial profession. CEJU has achieved recognition both in Uruguay and within the LAC region and continues to reinforce the already high quality of Uruguay's independent judicial system. A recent Supreme Court resolution was passed directing that CEJU courses be taken into consideration when promoting judges. This resolution recognized the importance of judicial training and the status of the CEJU as the principal factor in the professionalization of the judiciary.

Through USAID funding, Uruguayan Supreme Court Justices have travelled to the United States to gather information that will assist them in designing court reforms. This year, the AOJ project has assisted the Court with the design and implementation of a statistical system, the implementation of delegations of administrative authority, and the establishment of personnel management measures to improve court management. The statistical system being developed for Uruguay has been presented as an example for other Latin American countries at the two Interamerican Conferences on Judicial Statistics and Delay Reduction organized by the National Center for State Courts. The effectiveness of court administration reform is demonstrated by the significant reduction both in the time required to obtain first-level decisions in civil cases (from roughly 30 months in 1989 to 9 months in 1993) and in the percentage of Supreme Court sessions devoted to administrative matters (from 70-80% in 1992 to 20% in 1993). 1993 also saw the establishment of U.S.-style planning conferences of judges as a routine activity of the Supreme Court.

<i>Indicator: Number of LRJ impediments raised for discussion by grantee business groups involved in USAID activities</i>				
Unit: Number		Year	Planned	Actual
Source: Quarterly project reports from grantees CERES, ACDE, American Chamber of Commerce	Baseline	1992	---	0
Comments: "Planned" figures are cumulative.		1993	8	5
		1994	12	***
	Target	1995	12	***
<i>Indicator: Change in attitudes and knowledge regarding LRJ reforms in sample of firms participating in USAID activities</i>				
Unit: To be determined		Year	Planned	Actual
Source: Annual survey	Baseline	1992	---	---
Comments: The survey firm has just begun gathering this information. To most effectively measure the baseline for this indicator, the "survey group" will include both firms that have participated in USAID activities and those that have not.		1993		***
		1994		***
	Target	1995		***

Uruguay				
STRATEGIC OBJECTIVE NO. 2 Improved efficiency and quality in judicial decision-making				
<i>Indicator: Median number of months required to obtain first-level decisions in civil cases</i>				
Unit: Median number of months		Year	Planned	Actual
Source: Baseline: 1990 UNDP study. Ongoing: court management information system	Baseline	1989	---	29-33
Comments: Data does not include family law cases, for which delays in reaching decisions were at a reasonable level in the baseline year. The 1993 figure is higher than the 1992 figure because strikes and work stoppages caused delays.		1992		7
		1993		9
		1994	7	***
	Target	1995	7	***
STRATEGIC OBJECTIVE NO. 2 Improved efficiency and quality in judicial decision-making				
PROGRAM OUTCOME NO. 2.1 Court administration and other judicial reforms implemented				
<i>Indicator: Judicial planning and budgetary capability instituted</i>				
Unit: Yes/No		Year	Planned	Actual
Source: Supreme Court semi-annual reports	Baseline	1992	----	no
Comment:		1993	----	no
		1994	----	***
	Target	1995	yes	***

TABLE 1: STRATEGIC OBJECTIVE PROGRAM "TREE"

URUGUAY
Agency Goal: Building democracy
STRATEGIC OBJECTIVE NO. 2 Improved efficiency and quality in judicial decisionmaking

PROGRAM OUTCOME NO. 2.1 Court administration and other judicial reforms implemented	PROGRAM OUTCOME NO. 2.2 More professional justice system personnel	PROGRAM OUTCOME NO. 2.3* Steps taken to modify or improve implementation of selected laws affecting commerce
Activities	Activities	Activities
Administration of Justice:	Administration of Justice:	Administration of Justice:
Supreme Court	Supreme Court	CEJU
Centro de Estudios Judiciales del Uruguay (CEJU)	CEJU	Supreme Court

* This activity is now part of the IDB program. USAID/Uruguay provided bridge funds until IDB money was available.

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STRATEGIC OBJECTIVE NO. 2 Improved efficiency and quality in judicial decision-making

PROGRAM OUTCOME NO. 2.2 More professional justice system personnel

Indicator: In-service judicial training formally linked to judicial career

Unit: Yes/No		Year	Planned	Actual
Source: CEJU semi-annual reports	Baseline	1992	-----	no
Comment: A court resolution has been passed directing that CEJU courses be taken into consideration when granting promotions.		1993	-----	yes
		1994	yes	***
	Target	1995	yes	***

Indicator: Ethics code established

Unit: Yes/No		Year	Planned	Actual
Source: CEJU semi-annual reports	Baseline	1992	-----	no
Comment: This is now being done under the IDB program.		1993	-----	no
	Target	1994	yes	***

<i>Indicator: Percentage of Supreme Court sessions devoted to administrative matters</i>				
Unit: Percentage		Year	Planned	Actual
Source: Baseline from report of consultant William Davis; ongoing monitoring by Supreme Court.	Baseline	1992	----	70-80%
Comment: The percentage is based on the number of sessions per week which the Supreme Court devotes to administrative versus jurisdictional matters, as reported by the Supreme Court Justices. "Planned" figures have been revised because the original 1995 "target" has already been reached.		1993	60%	20%
		1994	20%	***
	Target	1995	10%	***
<i>Indicator: Other administrative and judicial reforms implemented</i>				
Unit: Number		Year	Planned	Actual
Source: CEJU and Supreme Court semi-annual reports	Baseline	1992	-----	0
Comment: Other reforms expected to be implemented: <ul style="list-style-type: none"> - Statistical system (started) - Management information system (started) - Pilot program on ADR (started) - Data base for tracking court decisions - Pilot program on Small-claims Courts or personnel system database created 		1993		3 reforms started
		1994	4	***
	Target	1995	5	

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RY 1995 Close out
September 30, 1995
- 19 -

C. CLOSE-OUT PLANS

1. Portfolio Status Tables (attached)

2. Planned Final Bilateral Activities

a. **Program Close-Out Strategy**

During the close-out phase of bilateral programs in Argentina and Uruguay, we plan to focus on the goals of achieving results and sustainability. We will:

- Complete activities with selected grantees which can achieve specified results by mid-1995, and can be sustained thereafter, and stop supporting activities of other grantees where this is not the case.
- Work with selected grantees and the IDB and World Bank to make arrangements for other donor support of activities which have proven themselves successful during initial phases financed by USAID.
- Actively plan for participation of selected grantees in new LAC regional programs, if it is decided by AA/LAC that this is desirable.

The PACDs of all but one activity¹ will occur by June 30, 1995. All necessary steps for program/contract close-out and reduction/closure of USAID's offices in Montevideo and Buenos Aires will be taken by February 1996. *Too late 9/30*

b. **Uruguay**

(1) S.O. No. 1

Additional funding during the close-out period will be limited to NGO grantees whose programs meet two criteria: additional results will be obtained before June 1995, and programs have a good chance of being sustained after that date in the absence of further USAID support. We will also continue discussions with the IDB and GOU regarding possible MIF support for successful activities started with USAID financing.

Additional funding will be provided to the following grantees:

FUCREA - for institutionalization of its program to make

¹ The IESC Business Development Services Program in Argentina, whose February 1996 PACD will be changed to December 1995.

STRATEGIC OBJECTIVE NO. 2 Improved efficiency and quality in judicial decision-making

PROGRAM OUTCOME NO. 2.3 Steps taken to modify or improve implementation of selected regulations and laws affecting commerce

Indicator: Number of regulations and laws addressed/drafted/passed

Unit: Number		Year	Planned	Actual
Source: CEJU semi-annual reports	Baseline	1992	-----	addressed: 0 drafted: 0 passed: 0
Comment: This activity is now under the IDB program. USAID provided the bridge funds until IDB money was available. Bankruptcy laws began to be considered for revision in 1993.		1993	addressed: 1 drafted: 1 passed: 1	addressed: 1 drafted: 0 passed: 0
		1994	addressed: drafted: passed:	***
	Target	1995	addressed: drafted: passed:	

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Table 3: USAID/URUGUAY PORTFOLIO -- ACTIVITY TIMELINE

ACTIVITY TITLE	FY92				FY93				FY94				FY95				FY96			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
ITT																				
UCUDAL - Advanced Education for Development	-	-	-	-	-	-	-	-	-	-	-	-	-	X						
DESEM - Junior Achievement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X				
Centro de Estudios de la Realidad Economica y Social (CERES)				X	-	-	-	-	-	-	-	-	X							
Uruguayan/American Chamber of Commerce				X	-	-	-	-	-	-	-	-	X							
National Chamber of Commerce															X	-		X		
Asociacion Cristiana de Dirigentes de Empresas (ACDE)				X	-	-	-	-	X											
RTAC		X	-	-	-	-	-	-	-	-	-	-	-	-	-	X				
National Institute for Standards and Technology/Laboratorio Tecnologico del Uruguay (LATU)				X	-	-	-	-	-	-	-	-	-	X						
National Quality Commission (CNC)				X	-	-	-	-	-	-	-	-	-	X						
IESC - Technical Assistance				X	-	-	-	-	-	-	-	-	-	X						
Peace Corps - Enviro. NGOs						X	-	-	-	-	-	-	-	X						
Peace Corps - SPA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

ACTIVITY TITLE	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
<u>ITT - continued</u>																					
ORT								x	-	-	-	-	-	-	x						
UCRE								x	-	-	-	-	-	-	x						
FUCREA								x	-	-	-	-	-	-	x						
CAF								x	-	-	-	-	x								
IESC BDS Program					x	-	-	-	-	-	x										
UNDP/Empretec								x	-	x											
<u>Administration of Justice</u>																					
Centro de Estudios Judiciales del Uruguay (CEJU)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	x						
Supreme Court of the Nation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	x						
<u>Others</u>																					
Partners of the Americas								x	-	-	-	-	-	x							
ESF Local Currency Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	x
LAC/TECH support to agribusiness organizations					x	-	-	-	-	-	-	-	-	-	x						
Farmer to Farmer*	x	-	-	-	-	-	-	-	-	-	-	x									
TOTAL PROJECTS (number) (at end of FY 4th Quarter)				14				23				20			3						2

*amendment under consideration

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Table 3: USAID/ARGENTINA PORTFOLIO -- ACTIVITY TIMELINE

ACTIVITY TITLE	FY92				FY93				FY94				FY95				FY96			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Administration of Justice	-	-	-	-	-	-	-	-	-	-	-	-	-	-	x					
Poder Ciudadano	-	-	-	-	-	-	-	-	-	-	-	-	-	-	x					
Tribunal de Cuentas/Civil Service Secretariat/SIGEN	-	-	-	-	-	-	-	-	-	-	-	x								
Conciencia				x	-	-	-	-	-	-	-	-	-	-	x					
SEC/Comisión Nacional de Valores				x	-	-	-	-	-	-	-	x								
Peace Corps - SPA	x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IESC BDS Program					x	-	-	-	-	-	-	-	-	-	-	-	x			
R&D/EI Activities				x	-	-	-	-	-	-	-	-	x							
Farmer to Farmer*	x	-	-	-	-	-	-	-	-	-	-	x								
WID - Women's Strategic Resources																				x
TOTAL PROJECTS (number) (at end of FY 4th Quarter)				8				9				10				3				

*amendment under consideration

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member firms more competitive, to increase coverage from 120 to 700 firms, and to increase linkages with U.S. agricultural organizations.

UCRE - for a Total Quality Management program with LATU for 30 micro-enterprises.

ORT - for additional events to mobilize private sector support for LRJ reform.

RTAC/Alianza - to obtain financial sustainability of the program.

Cámara Nacional de Comercio - to finance a second private sector action plan for economic reform for presentation to the new government.

Activities of the following grantees will conclude on schedule with no further USAID funding: ACDE, CAF, IESC (company T.A.), CERES, AmCham, EMPRETEC and LATU/CNC cooperation with NIST.

Lastly, additional regional/central bureau funds will be used: a) from LAC/TECH to continue efforts to improve competitiveness of Uruguayan fruit and vegetable producers and link them with U.S. producers/marketers; b) from LAC/TDP for efforts to close-out our successful cooperation with the Catholic University (UCUDAL) with activities to promote de-regulation; and c) from G/PRE for the IESC Business Development Services Program, if it proves itself feasible in Uruguay.

USAID-financed activities under this S.O. will have terminated too soon for Uruguay to have transformed the manner in which the private sector involves itself in the process of economic reform, but significant progress in the right direction will have been achieved and a number of organizations' programs started with USAID support will continue. These include the UCUDAL MBA and business services program, FUCREA and CAF's programs to improve agribusiness-competitiveness, EMPRETEC's micro-enterprise/entrepreneurs training program and UCRE's program of technical assistance to improve competitiveness of firms run by EMPRETEC graduates, the DESEM Junior Achievement Program, the RTAC Program, the CNC industrial quality award program, LATU/NIST cooperation on metrology standards that can facilitate U.S. exports, and an improved capacity to catalyze LRJ reforms in ORT, CERES, and the AmCham.

(2) S.O. No. 2

Our strategy for completing USAID support for the Uruguayan AOJ Program is to complete activities already planned for the March 1994-June 1995 period and to help the Supreme Court and CEJU take the steps necessary to assume full financial responsibility for

court administration and judicial training programs by January 1996. IDB support to the Court will continue beyond 1995 for the CEJU legal and judicial impediments program and introduction of alternative dispute resolution methods. Additional IDB support is a possibility. There will be a funding gap of six months (July-Dec. 1995) between the termination of USAID support and the initiation of GOU support for USAID-financed activities, which we will work with the Court to fill.

During the final period of USAID support, the CEJU judicial training program will complete its institutionalization. In addition to continuing provision of training for judge-candidates, candidates for administrative appointments, and in-service judicial and administrative personnel, the following steps will be taken to institutionalize the CEJU training program:

- Up-dating training needs assessments.
- Final design of ten curricula modules.
- T.A. and teacher training in methodologies for teaching to adults.
- Finalization of a rolling data-base on individuals trained by CEJU for use by the Supreme Court in considering promotions.
- CEJU support to the Inter-American Federation of Judicial Schools, as its Secretariat, and cooperation with the National Center for State Courts for an Inter-American Congress of Judicial Schools.

The court administration program with the Supreme Court will focus on completing planned activities to improve a) judicial organization, planning and budgeting, and b) statistical and information management systems. This will include:

- Development of standard procedures and documentation for key administrative duties.
- Elaboration of a judicial decision digest.
- T.A. in procurement planning and acquisition procedures.
- T.A. in budgeting and financial management.
- Design of software for administrative functions.
- Seminars for judges and their assistants on the use of judicial statistics.
- Training in information system development and maintenance.

Lastly, other important activities will be undertaken to help introduce new reforms, including a pilot program to create small claims courts, completion of the Partner's juvenile justice program, a trip to visit U.S. courts by the two newest ministers on the Supreme Court, and completion of ILANUD assistance to modernize the Court's library.

By the end of the USAID/UNDP AOJ Program in Uruguay, we will have assisted the Supreme Court in making numerous important reforms and in maintaining its pre-eminence among judicial systems in South America. Specifically, these reforms will have included a) creation of a permanent judicial training center (CEJU) with its direct effect on the successful implementation of the oral procedure code for civil cases; and b) the installment of a permanent court administration improvement program. Specific accomplishments are listed below:

- (a) **Judicial efficiency/effectiveness improved at Supreme Court level through:**
 - Supreme Court delegation of authority for administrative matters.
 - Statistical system implemented, standards defined.
 - Judicial decision data base created and implemented.
 - Judicial planning and budgetary capability instituted.

- (b) **Judicial efficiency/effectiveness improved at trial court level through:**
 - Judicial decision data base created and made accessible to all judges.
 - Management information system designed and implemented.
 - Personnel system strengthened.
 - Entry-level and in-service training to judicial personnel.
 - Research and seminars to help identify and address legal and judicial impediments to trade and investment.

- (c) **Judicial Sector accountability/credibility strengthened by:**
 - Appointment and promotion of judges and other judicial personnel, taking formally into consideration courses taken at CEJU.
 - Establishment of a judicial ethics code.

- (d) **Access to justice improved through:**
 - Pilot efforts on new procedures for the justice system (alternative methods of dispute resolution and small-claims courts).
 - Modernization of the juvenile justice system.

c. Argentina

(1) S.O. No. 1

USAID and the Argentine participants in the AOJ Program have agreed on the following strategy for terminating bilateral USAID support for AOJ efforts in Argentina by mid-1995:

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- We will collaborate with World Bank and IDB staffs, who are currently designing a co-financed AOJ project to begin in late 1995.
- We will significantly increase AOJ activities with provincial courts, given the excellent prospects for progress there and the interest expressed by the World Bank and IDB in including provincial activities as an important part of their project.²
- We will continue to place primary emphasis on "demand" activities by Argentine NGOs to help improve the political climate for change.

Accordingly, the AOJ Program will finance the following activities during its final 18 months:

Fundación La Ley

- CEJURA activities: 1) sub-regional seminars among several neighboring provincial courts on the use of court statistics, administrative reforms implemented by the Supreme Court of the Province of Buenos Aires, and the model administrative diagnosis to be carried out on the Province of Santa Fe; 2) two national congresses on court administration; 3) formal establishment of CEJURA as a vehicle for channelling assistance to the provincial courts; 4) development of standards for information management systems; 5) seminars on judicial education in five provinces and development of training material in four specific areas for pilot use in four provinces.
- Publishing of FLL Judicial Reform Bulletin.
- Publishing results of judicial awareness survey and coordinating follow-up use by participating NGOs and public sector entities.
- Joint program with IDEA to reduce court delays in selected pilot courts.
- AOJ Program administration/coordination.

Supreme Court of the Province of Buenos Aires

- Completion of project to automate receivers' offices.
- Design of manual of procedures for decentralization of administrative functions within the Province.
- Installation of public information centers at several court sites and publication of a judicial information guide for the public.
- Initiation of province-level training programs to include

² Political conditions at the federal level are not favorable to making any progress with the thoroughly discredited National Supreme Court; although hopefully public pressure will help change this situation by the time the WB/IDB project begins.

technical assistance/training in judicial school organizations and functions and use of adult education methodologies, delivery of courses on personnel management, court organization, economics for judges, and development of off-site/correspondence courses.

- Continuation of training for mediators and public defense personnel.

Ministry of Justice/Libra

- Establishment of Judicial Mediation Center.
- Expansion of mediation courses to the provinces.
- Completion of pilot program of neighborhood mediation centers.
- Assistance to the MOJ Mediators' School.
- Seminars on mediation for schools, professional associations, etc.

FORES

- T.A. on public defenders' programs for selected provinces.
- First National Congress of public defenders.
- Assistance to Commission on Reform of Public Defenders' Offices.

During the next 18 months, the public sector component of USAID's anti-corruption program will be limited to six months intermittent T.A. to the GOA internal control agency (SIGEN), where a real interest and capability to improve financial control exists. This T.A. is already funded and is being transferred from the Contraloría General, where it was not effective due to lack of political will.

Support for Poder Ciudadano's programs, which are reaching more and more interest groups and will be expanded to selected provinces, will be completed as scheduled. Efforts are already underway to mobilize more local funding for Poder Ciudadano and will have to be increased. Poder Ciudadano's services are also available in other LAC countries. Using already obligated funds with USIS, we will also support events sponsored by other Argentine NGOs interested in promoting good governance.

Support will also be continued for Conciencia activities, as previously scheduled. Conciencia will shift resources from its municipal development program to its more successful components. Its program for training female political candidates will expand to the Provinces of Mendoza and Corrientes. Course graduates will meet for the first time at a national level in Córdoba.

Conciencia is similar to Poder Ciudadano in its need to expand local sources of support. Realistically, both organizations will

continue to need outside donor support for some time to enable them to continue their current levels of activity in Argentina, let alone provide assistance and advice in other LAC countries.

When USAID support for S.O. No. 1 in Argentina is terminated, a number of AOJ reforms will have been implemented, the base will have been laid for continued and expanded AOJ assistance from the World Bank and the IDB, and the capabilities of five Argentine NGOs will have been developed and their various programs established and running well. More specifically:

- Significant progress will have been achieved by the Provincial Court of Buenos Aires in implementing a series of court administration reforms and judicial training programs that can be emulated by other provincial courts and the National Supreme Court.
- Mediation and Public Defenders programs will have been instituted.
- CEJURA will be established and have provided a series of services to provincial courts.
- Private sector leaders will be involved in the judicial reform process as a result of IDEA's work.
- The National Supreme Court will have (already does have) comprehensive action plans for administrative reform and the creation of a national judicial school which it can begin to implement if, and when, it decides to do so.
- Lastly, and most importantly, public awareness of judicial issues and demand for reforms will have significantly increased as a result of the activities of USAID-supported Argentine NGOs. Additionally, the comprehensive programs of Poder Ciudadano and Conciencia will be fully established.

By mid-1995, USAID's democracy program in Argentina will have achieved significant results, but real progress in the broadly stated strategic objective will take years longer to achieve. Civic education and participation -- promoted by local NGOs -- is the most vital ingredient necessary for obtaining real progress in strengthening Argentina's democracy. USAID's financial support, and the broader USG political support it has represented, have been important to the successes achieved by the Argentine NGOs with which we have collaborated. But given financial limits, the number of NGOs supported has been small relative to the challenges at hand and number of Argentines willing to work for reforms. Other donors do not provide this type of assistance to NGOs. Although it is true that Argentines themselves can go a lot further in efforts to finance indigenous NGO civic organizations, with the departure of USAID it is not at all clear that adequate resources will be available to the many Argentine civic organizations and other NGOs which wish to push for democratic reforms.

(2) S.O. No. 2

USAID will complete activities with the CNV, IESC/BDS and G/RD/EI.

In accordance with the global strategy of G/PRE, efforts will proceed to make the Argentine BDS Program self-sufficient on the basis of fee income paid to IESC by the Argentine and U.S. business partners in joint venture deals brokered by IESC.

The USAID-sponsored SEC-CNV cooperation program will be complete in 1994 with enforcement training in the U.S. for CNV personnel.

G/RD/EI will complete efforts with U.S. renewable energy associations and provincial entities in Argentina to identify and promote opportunities for export of U.S. energy/environment technology. That Office will also complete design of a short demand-management training activity for regulated Argentine public utility companies.

All three of these USAID-sponsored activities should terminate successfully; although, of course, their impact at the S.O. level will be negligible given their limited scope. Nevertheless, important sustainable results will have been achieved by USAID by the time the bilateral program ends. These are:

- Institutionalization of a permanent, self-financing IESC BDS program in Argentina to promote joint ventures which assist in Argentine socio-economic development and solidifying commercial ties with the U.S.
- At least ten completed joint ventures.
- Preparation of Argentine renewable energy project proposals which use U.S. technology.
- Cooperative relationships established between U.S. renewable energy associations and Argentine utilities/investors.
- A permanent cooperative relationship established between the CNV and the SEC.

3. Evaluation Plan

The 1992 Action Plan called for alternating annual evaluations of democracy and growth activities in both countries. A first evaluation of USAID-sponsored democracy programs in Argentina and Uruguay took place in 1993 as part of CDIE's world-wide evaluation of USAID legal reform programs. The results were favorable, as noted elsewhere in this report.

Given the decision to terminate bilateral programs, the USAID Representative proposes to undertake only one more evaluation -- a final evaluation of the results of all USAID-sponsored activities in Uruguay and Argentina since the initiation of MDC

programs in 1986 and 1989, respectively. This evaluation will be done during the second half of 1995 and it will focus on documenting achievements and indicating lessons learned which might be applicable in other countries.

4. Operational Plan

A final operational plan for closure of the USAID/Argentina/Uruguay Offices will be completed by the end of FY 1994 after the AA/LAC makes his decision concerning the possibility of Southern Cone participation in regional projects, and following further detailed consultations with USAID/Bolivia staff. The list of close-out tasks promised by the M Bureau has not been received, but we believe it will include the following items:

- Program supervision/personnel management.
- Grant/contract close-out.
- Financial control.
- NXP/project commodity disposal.
- Record/file retirement.

Detailed plans and schedules will be made in each of these areas, and responsibilities will be assigned to specific individuals. Close-out steps will begin to be taken during the first half of 1995, but most actions will be taken between July and December 1995. The only exception to this is the closure of the USAID Office in Buenos Aires which will take place in January 1996, following termination of USAID support to the IESC/BDS program.

all
September
NO!
NO!

The USAID Representative is scheduled to depart post in July 1995. FSN staff and the Office's USFSC Program Assistant are fully capable of implementing the Office's closure plan, but they will require intermittent USDH supervision on-site. In addition, a USDH officer will have to be assigned over-all responsibility for winding down Office affairs. This could be provided in several ways; i.e., by an officer in USAID/Bolivia or USAID/W who schedules a few weeks TDY during the period, or by the person assigned as Southern Cone USAID Representative, if there is to be one, for participation in regional programs.

More direct supervision of accounting and financial control activities by the USAID/Bolivia Controller during the latter part of 1995 will also be important. Given the confidence the Controller has in our FSN staff, this should be possible by scheduling supervisory TDYs once a quarter.

The USAID Representative is making special efforts to get the GOU to expedite disbursement of local currency generated under the 1986 ESF program, but it is likely that some disbursements will still need to be made after his departure. Despite slow disbursement rates, the GOU now is managing the program very well, but nevertheless responsibility for monitoring this

activity will have to be transferred to the USAID/Bolivia Controller.

We will schedule a TDY from USAID/Bolivia EXO for the purpose of preparing a detailed plan for disposal of USAID NXP and a very limited amount of project commodities. The plan will call for EXO supervision of disposal activities to be carried out either by an FSN from USAID/Bolivia EXO or a specially hired PSC.

FSN staff in Uruguay will take care of grant and contract close-outs in accordance with our Local Order, and of retirement of records and files in accordance with instructions from the USAID/Bolivia EXO.

Listed below are the projected termination dates of USAID/Argentina/Uruguay personnel.

		<u>Funding Source</u>	<u>Departure Date</u>
<u>USDH</u>			
R. J. Asselin	USAID Representative	OE	7/95
<u>FSN/Uruguay</u>			
J. Abella*	Sr. Proj. Officer	Program	12/95
J.C. Belza	Sr. Proj. Officer	Program	12/95
A. Giacri	Sr. Accountant	OE	2/96
M. Martinez	Off. Asst./Chauffeur	OE	12/95
M. Meloni	Ex. Asst./Off. Mgr.	OE	2/96
G. Rubini	Voucher Examiner	OE	12/95
J. Saracini	RTAC Proj. Mgr.	Program	12/94
V. Suero	Ex. Secretary	OE	12/95

*spends half-time on Argentina

FSN/Argentina

E. Ainscough	Ex. Asst./Off. Mgr.	Program	1/96
R. Bisso	Project Officer	Program	1/96

USPSC

J.W. Rudman	Program Assistant	OE	9/95
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As indicated above, the final Operational Plan will schedule specific TDYs of supervisory EXO and Controller personnel. If possible, we prefer these TDY personnel to come from USAID/Bolivia which is already very familiar with our Office's operations.

TABLE 4
USAID/ARGENTINA
SUMMARY PROGRAM FUNDING TABLE
Dollar Program (\$000)

<i>Funding Category</i>	FY94	SO#
LAC Bureau		
<i>ITT</i>	375	
Business Development Services	285	2
PD&S	75	N/A
Peace Corps - SPA	15	other
<i>AOI/DI</i>	1,150	
Administration of Justice	785	1
Poder Ciudadano	200	1
Conciencia	165	1
<i>Total LAC Bureau</i>	1,525	
Other Bureau-funded		
WID - Women's Strategies and Resources	65*	other
<i>Total Non-LAC Bureau</i>	65	
PROGRAM TOTAL	1,590	

* This figure is an estimate. G/R&D/WID plans to obligate an additional \$50,000 in FY 95.

TABLE 4
USAID/URUGUAY
SUMMARY PROGRAM FUNDING TABLE
Dollar Program (\$000)

<i>Funding Category</i>	FY94	SO#
LAC Bureau		
<u>ITT</u>	535	
UCRE	30	1
FUCREA	60	1
ORT	30	1
DESEM	60	1
National Chamber of Commerce	50	1
RTAC	60	1
PD&S	200	N/A
Peace Corps - SPA	30	other
Peace Corps - Environment	15	other
<u>AOJ/DI</u>	466	
UNDP: AOJ	466	2
<u>Bureau-funded</u>	100	
TIDP expert for UCUDAL	50	1
LAC/TECH agribusiness experts	50	1
Total LAC Bureau	1,101	
Other Bureau-funded		
PRE/BDS	75	1
Total Non-LAC Bureau	75	
PROGRAM TOTAL	1,176	

D. RESOURCE REQUIREMENTS

Tables 4 and 5 show requested program and operating expense budget requests. As instructed, all program funding needed to close bilateral programs is included in our FY 1994 request, and we need all program funds this year in order to terminate bilateral activities on schedule.

The O.E. funding levels are minimum levels set below our FY 1993 level of \$400,000, despite 20 percent dollar inflation in Uruguay during 1993. As in FY 1993, costs of necessary TDYs from La Paz are not included in our budget requests.

E. ISSUES

The USAID Representative requests that two issues be settled definitively at the Action Plan review if at all possible: 1) establishing USAID/Argentina/Uruguay FY 1994 program and OE budget levels; and 2) deciding whether and how Uruguay and Argentina might participate in regional programs after bilateral programs terminate.

1. Budgets

Because our programs are funded from regional project accounts and OYBs are not set for MDCs, we are never sure how much program money we will receive until budget allowances arrive, usually in the third quarter of each year. Funding in FY 1994 is very tight. In order to be sure that the close-out plan approved by USAID/W is implemented on schedule, we request that specific program funding levels for each country be set at the Action Plan reviews and that all budget allowances be received by March 15, 1994.

OE resources are also a problem, as everyone knows. Our requested FY 1994 level is much lower than our FY 1993 budget despite 20% dollar inflation in Uruguay during 1993. Can the requested amount be approved?

2. Future Regional Programs

If USAID/W decides to develop new regional programs in which Southern Cone countries can participate, they can either be based in Washington and cover the whole LAC region, as we recommend in Annex 1, or they can be designed and run from a Southern Cone Office or USAID/Bolivia by a Regional USAID Representative. No matter where such a Representative might sit, programs which s/he develops to focus only on the Southern Cone would be at a disadvantage in obtaining budget resources and LAC Bureau attention. As is the case now, the Representative would also have trouble "reaching out" to expertise available in the U.S.

**TABLE 5 - BASE COSTS (75% OF TARGET COSTS)
USAID/Argentina/Uruguay
OE Funding Requirements
(\$000)**

OE LEVELS BY MAJOR FUNCTION CODE:	<u>FY 94 BASE</u>	<u>FY 95 BASE</u>	<u>FY 96</u>
U100 U.S Direct Hire	11.0	28.0	0
U200 F.N. Direct Hire	0	0	0
U300 Contract Personal	145.0	174.1	51.0
U400 Housing	45.8	16.9	0
U500 Office Operations	127.2	132.0	28.1
U600 NXP Procurement	2.0	0	0
Sub-Total-Core Cost	331.0	351.0	79.1
Downsizing Cost: U100	0	0	0
U200	0	0	0
U300	0	0	50 (est)
Sub-Total Downsizing Cost	0	0	50
Total OE Cost	331.00	351.00	129.1

Mission Staffing Requirements									
	FY 94			FY 95			FY 96		
	<u>USDH</u>	<u>USPSC</u>	<u>FSN</u>	<u>USDH</u>	<u>USPSC</u>	<u>FSN</u>	<u>USDH</u>	<u>USPSC</u>	<u>FSN</u>
Total FTEs or Workyear	1	1	10	.75	1	9.25	0	0	2.75
of which Program funded			5			4.25			1.25

** Mission has no PASAs or TCNs

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and would have to rely mostly on already existing USAID/W projects. So, we suggest the first decision to consider, if it is decided that it is desirable to allow Southern Cone countries to participate in regional programs, is whether they would be developed and managed in the field or in Washington.

Secondly, we recommend LAC consider whether USAID should assign a Southern Cone USAID Representative to the field or not, and if so, whether to La Paz or to a Southern Cone post. Assigning a Representative is desirable for several reasons, but may not be affordable. This person would be relieved of project design and contracting responsibilities if Washington-based programs are available, and his/her presence in the Southern Cone would allow frequent contact with host country counterpart personnel and U.S. Embassy colleagues, which is indispensable for understanding local conditions and arranging participation in, and contributions to, regional programs by Southern Cone leaders. If USAID cannot afford to station an officer in the Southern Cone³, participation in Washington-based programs could still be arranged by an FSN assigned to each country as long as quarterly trips from an LAC officer responsible for the Southern Cone were made for supervisory and coordination purposes. We see no advantage to be gained over this option by assigning Southern Cone responsibilities to a USAID/Bolivia officer. It is unlikely that an officer would be able to devote full time to affairs outside Bolivia. S/He would not have any more contact with local counterparts or knowledge of local conditions than a USAID/W officer unless USAID kept him/her on the road frequently (and probably spent as much on travel as it might cost to assign a Representative in the Southern Cone itself). In addition, a Washington-based officer would have more contact with, and knowledge of, U.S. resources available under regional projects.

We need to know whether LAC intends to maintain USDH, USPSC or FSN staff in Montevideo before we can finalize our operational plan for closure (or down-sizing) of our Office.

³Of the three U.S. Ambassadors to the Southern Cone countries where USAID bilateral programs are closing, only Amb. Dodd in Montevideo has indicated a willingness to accept assignment of an USAID Representative.

THOUGHTS ON POSSIBLE FUTURE LAC REGIONAL PROGRAMS

The conditions under which the LAC Bureau must now operate have changed significantly.

- Program funds for the region have already been reduced drastically and may be cut further.
- O.E. funding shortfalls are forcing us to reduce USDH and USPSC staff overseas.
- The Administrator has challenged the Agency to find different ways to achieve results (e.g., relying on centralized expertise and projects which reach out to a larger variety of experts and institutions in the U.S.; devoting less time and effort to project development and contracting in individual countries; and emphasizing more participatory approaches to achieve sustainable development).
- Socio-economic conditions within most LAC countries have improved. Developmental challenges they face are similar, and there are more opportunities for cooperation among countries in areas of mutual interest.
- The Clinton Administration is developing a major new initiative for U.S. partnership with the LAC Region. It is to emphasize trade liberalization and regional integration, environmental protection, and sustainable development programs.

USAID programs in LAC countries are moving into three categories: a) big bilateral programs for poorer countries; b) small bilateral programs for better-off countries; and c) no bilateral programs for some MDCs, but with the possibility of their still participating in, and contributing to, new regional programs.

- a) Big: Bolivia, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, and Perú.
- b) Small: Brazil, Colombia, Dominican Republic, Ecuador, Jamaica, Mexico, Panama, and Paraguay.
- c) Regional: Argentina, Belize, Chile, Costa Rica, Eastern Caribbean, Uruguay and Venezuela.

Given budget cuts in LAC, it probably will not be possible to operate in as many countries as the LAC Bureau would like while maintaining the ways of doing business to which we have become accustomed (i.e., continuing to focus on carrying out self-sufficient, decentralized and isolated bilateral programs to

address individual country needs). If we try to continue this approach in LAC despite drastic funding cuts, the Bureau will be forced to reduce the scope of existing country programs by cutting the number of activities in sectors in which bilateral programs are active, cutting whole sectors from bilateral programs, and eventually, cutting bilateral programs in their totality. This will make it increasingly difficult to achieve sustainable development results in the number of LAC countries in which we would like to work. We could eventually be reduced to working only in a few of the Region's poorest countries. This would limit USAID's responsibilities in the Administration's new initiative for Latin America to poverty reduction in a few countries only.

Alternatively, an important step the LAC Bureau could take to respond to the Administrator's challenge to operate differently would be to develop new regional programs in USAID's four areas of global interest, which are capable of responding to conditions that are unique to Latin America. Such new programs, if structured differently than our traditional regional programs, would enable the Bureau to be responsive in areas of key interest to the Region, despite budget and personnel cuts, both in poorer countries where we maintain relatively large bilateral programs and in countries with small bilateral programs and advanced countries with no bilateral programs at all.

LAC's new regional programs would have to be structured differently and operate differently than traditional LAC regional programs. They would not be "institution-based", such as those formerly supported by ROCAP which tended to be regionally focussed efforts carried out in isolation of bilateral mission efforts, nor would they be "buy-in" projects that simply provide a contracting vehicle for basically isolated activities managed by bilateral missions.

New regional programs would be managed by the LAC Bureau. They would be structured to respond to specific needs common to several LAC countries in specified areas, be implemented according to strategies valid for the whole Region or sub-regions, rely on a wider variety of U.S. expertise available through the new Global Bureau, and explicitly promote regional cooperation and exchanges among LAC countries. Technical specialists in field missions, and USAID personnel in MDCs, would be able to access the expertise and other resources available from these new regional programs without having to go through lengthy project design and contracting processes because areas of emphasis, assistance approaches and contracts would already have been identified and/or completed. The new programs would be flexible to respond to local conditions and changes (such as are the current LAC/TECH and LAC Cholera programs), and services could be accessed by cable with much less need for PIO/Ts, work-orders and the like. Fewer field personnel would be needed, and

they would be more involved in substance than process, and have more contact with their counterparts.

Working in this way may seem difficult to imagine, but from our own -- admittedly small but still effective -- efforts in Argentina and Uruguay, we have seen it work. We have not had the staff necessary to engage in lengthy project design and contracting processes; so we have been forced to rely on projects already put in place by AID/W. We have used them to supplement the small grants we make to local NGOs by providing access to U.S. expertise. We have used resources available from the Regional AOJ Project, LAC/TECH, RTAC II, various Office of Energy (RD/EI) projects, the IESC Business Development Services Program, the International Center for Economic Growth and Privatization Projects of PRE, and the University Linkages Program. On our own, we contacted the S.E.C., the National Institute of Standards and Technology, USIS, Peace Corps, Partners of the Americas, and Junior Achievement for programs here. None of the assistance provided by these organizations or USAID/W projects required us to develop P.P.s or negotiate large contracts.

Some areas in which new Washington-based regional programs might be developed for the LAC Region are:

Democracy:

- Regional AOJ II (National Center for State Courts program of T.A. to courts, regional cooperation, U.S. court visits/linkages, and support to NGOs working on the "demand-side" being designed)
- LAC NGO co-financing from U.S. NGOs (e.g. expansion of Partners' program)
- Grants to LAC NGOs for regional programs with other LAC NGOs (e.g. Conciencia and Participa for civic education; Poder Ciudadano for anti-corruption; Fundación Libra for mediation)
- Legislative improvement -- contract/grant priority for T.A. from 3 or 4 state legislatures
- Public Sector Financial Management (exists)

Growth:

- Regional LRJ (T.A. to governments, NGOs, research groups in key areas from U.S. experts; bilateral regulatory cooperation with federal and state government authorities)
- NAFTA Compatibility (T.A. in NAFTA trade, labor and environmental standards and practices) to LAC countries and sub-regional groups interested in accessing NAFTA)

- Agribusiness/Cooperative Trade Association Development (U.S. association T.A. for institutional development and member service programs; commercial linkages with the U.S.)
- Micro-enterprise/small business association exchanges (organized by appropriate U.S. organizations)
- IESC Business Development Services (joint venture) Program (exists)

Environment:

- LAC NGO development and support (from qualified U.S. and LAC NGOs)
- Analysis and Planning T.A. (for LAC local governments)
- Renewable energy and anti-pollution/clean-up programs (U.S. trade association and consultant services to private firms and municipalities)

Health and Population:

The Office of Health and Population already has developed several projects, but many need to be focussed, in part, on specific LAC needs.

Changing the way USAID operates in the LAC Region by developing new regional programs would help the LAC Bureau meet several objectives:

1. LAC would be able to continue to be responsive in USAID's four global priority areas in a greater number of LAC countries than would be possible if we rely primarily on bilateral projects. Even within priority countries in the Region where we maintain large bilateral programs, we would be able to achieve results more quickly and with fewer overseas staff.
2. LAC would be able to work collaboratively with the Global Bureau and field personnel to ensure that technical needs unique to the LAC Region are met. We would have access to a wider variety of U.S. specialists and institutions for this purpose.
3. LAC would be able to reduce overseas staff, significantly shorten project development and contracting delays, and make work more rewarding for technical personnel in the field and Washington.
4. LAC would be able to promote more collaboration between local and U.S. NGOs, and -- most importantly -- among

LAC countries themselves.

5. LAC would be able to play a much more substantial role in the Administration's new initiative for Latin America. USAID would be able to help make the efforts of other USG agencies throughout the Region more effective by applying resources and knowledge that only USAID possesses.

The State Department is stressing U.S. interests in promoting good governance and respect for human rights, more open markets and increased U.S. exports, and greater regional cooperation. Without the resources and expertise only USAID can provide -- albeit differently than in the past -- the Administration's new initiative in support of these U.S. interests will be far less effective than it deserves to be.

ARGENTINA ANNUAL PORTFOLIO REPORT

Activity Title and Project Number	Implement. Agency	Oblig. Instr.	FY Initial Obligation FY Final Obligation Estimated Completion Date	Planned Life of Project (000)	Cumulative Obligation to Date (000)	Obligation (000) FY 1994	Accrued Expenditures Cumulative (000)	Pipeline

A. STRATEGIC OBJECTIVE I								
1.- Administration of Justice								
- Regional Administration of Justice 598-0642.21 (ESF)	Fundacion La Ley	GRANT	89 93 06/95	2,306	1,521	785	965	556
2.- Anti-Corruption								
2.a								
- Public Administration Accountability Project 598-0616.21 (ITT)	UNDP	GRANT	91 93 08/94	500	500	-0-	254	246
2.b								
- Private Initiative For Corruption Control 598-0616.21 (ITT)	Poder Ciudadano	GRANT	91 93 06/95	600	400	200	287	113
3.- Civic Participation								
- Civic Participation 598-0616.21 (ITT)	Conciencia	GRANT	92 93 06/95	565	400	165	150	250
B. STRATEGIC OBJECTIVE II								
1.- Comision Nacional de Valores/S.E.C. 598-0616.21 (ITT)	CNV	GRANT	92 93 09/94	75	75	-0-	57	18
2.- Renewal Energy Development R&D/EI			93	100				
3.- Business Develop't Services Program								
3.a- PSC, Off.Rent & Procur't			92 93	478	313	165	303	10
3.b- IESC 598-0616.21 (ITT)	-	GRANT	93 94 12/95	334	215	120	-0-	215

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ARGENTINA ANNUAL PORTFOLIO REPORT

Activity Title and Project Number	Implement. Agency	Oblig. Instr.	FY Initial Obligation FY Final Obligation Estimated Completion Date	Planned Life of Project (000)	Cumulative Obligation to Date (000)	Obligation (000) FY 1994	Accrued Expenditures Cumulative (000)	Pipeline
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C. OTHER

1.- Peace Corps			93 94	30	15	15		
2.- PD & S			93 94	78	3	75		

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URUGUAY ANNUAL PORTFOLIO REPORT

Activity Title and Project Number	Implement. Agency	Oblig. Instr.	FY Initial Obligation FY Finl Obligation Estimated Completion Date	Planned Life of Project (000)	Cumulative Obligation to Date (000)	Obligation (000) FY 1994	Accrued Expenditures Cumulative (000)	Pipeline
- UNDP/Empretec	UNDP	GRANT	93 94 03/94	20	20	-0-	-0-	20
- RTAC II Program 598-0616.18 (ITT)	AID	CONT.	92 92 06/95	117	57	60	38	19
- Junior Achievement 598-0616.18 (ITT)	DESEM DEL URUGUAY	GRANT	90 92 06/95	450	390	60	319	71
2. - L.R.J.								
- Camara de Comercio Uruguay-Estados Unidos 598-0616.18 (ITT)	Camara	GRANT	92 92 09/94	125	125	-0-	41	84
- Centro de Estudios de la Realidad Economica y Social 598-0616.18 (ITT)	CERES	GRANT	92 93 09/94	230	230	-0-	91	139
- Asociacion ORT del Uruguay 598-0616.18 (ITT)	ORT	GRANT	93 93 06/95	60	30	30	-0-	30
-Camara Nacional de Comercio 598-0616.18 (ITT)	CNC	GRANT	94 12/95	50	-0-	50	-0-	0
B. STRATEGIC OBJECTIVE II. - A0J								
1.- UNDP/SCN/CEJU 598-0642.18 (RA0J) 598-0616.18 (ITT)		GRANT	90 94 06/95	1453	987	466	600	387
2.- Partners of America 598-0616.18 (ITT)	PARTNERS	GRANT	93 93 03/95	34	34	-0-	-0-	34

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URUGUAY ANNUAL PORTFOLIO REPORT

Activity Title and Project Number	Implement. Agency	Oblig. Instr.	FY Initial Obligation FY Final Obligation Estimated Completion Date	Planned Life of Project (000)	Cumulative Obligation to Date (000)	Obligation (000) FY 1994	Accrued Expenditures Cumulative (000)	Pipeline
A. STRATEGIC OBJECTIVE I - PRIVATE SECTOR PARTICIPATION								
1. - Competitiveness								
- Asociacion Cristiana de Dirigentes de Empresas 598-0616.18 (ITT)	ACOE	GRANT	92 92 12/93	110	110	-0-	66	44
- Cooperativas Agrarias Federadas 598-0616.18 (ITT)	CAF	GRANT	93 93 12/94	160	160	-0-	17	143
- National Committee for Quality 598-0616.18 (ITT)	UNDP	GRANT	92 93 12/94	253	253	-0-	185	68
- Federacion Uruguaya de Centros Regionales de Experimentacion Agricola 598-0616.18 (ITT)	FUCREA	GRANT	93 93 06/95	135	75	60	21	54
- International Executive Service Corps 598-0616.18 (ITT)	IESC	GRANT	92 92 12/94	120	120	-0-	15	105
- International Executive Service Corps-BDS 598-0616.18 (ITT)	IESC	GRANT	93 93 07/94	139	139	-0-	0	139
- LATU/NIST Exchange Program 598-0616.18 (ITT)	LATU	PROJ. AGR.	92 92 12/94	52	52	-0-	21	31
- Union Creadores de Empresa del Uruguay 598-0616.18 (ITT)	UCRE	GRANT	93 93 06/95	115	85	30	21	64
- Advanced Education for Development 598-0616.18 (ITT)	UCUDAL	GRANT	89 91 12/94	705	705	-0-	545	160

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URUGUAY ANNUAL PORTFOLIO REPORT

Activity Title and Project Number	Implement. Agency	Oblig. Instr.	FY Initial Obligation FY Final Obligation Estimated Completion Date	Planned Life of Project (000)	Cumulative Obligation to Date (000)	Obligation (000) FY 1994	Accrued Expenditures Cumulative (000)	Pipeline

C. - OTHER								
1. - Peace Corps								
- Special Project Activities			93 94	60	30	30	-0-	30
- Environment NGOs			93 12/94	88	73	15	-0-	73
2. - ESF Local Currency 528-0107	60U		86 87 09/96	25522	25522	-0-	20692	4830
3. - PD & S			93 94	272	72	200	-0-	72

1/7/96

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